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An Update of the
BERKELEY HOUSING ELEMENT

DRAFT

March 24, 1983


Prepared by

Association of Bay Area Governments
Berkeley, California

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Background

In June 1977, the Housing Element of the Berkeley Master Plan was adopted by City Council. It established goals and policies, identified constraints and set forth a five-year program of actions directed to meeting the City's housing needs. The purposes of the Housing Element were declared to be:

- a) increase recognition of housing problems and needs;
- b) provide a benchmark from which progress on housing can be measured;
- c) set forth policies to guide programs that most effectively address the housing needs of all economic segments of the population;
- d) facilitate coordination between various agencies and cities and relate housing to other City goals and policies; and
- e) propose a coordinated program to meet short- and long-range objectives.*

Assembly Bill 2853 was passed by the California State Legislature in 1980 and was incorporated into the Government Code as an amendment to the local government planning requirements. In that act, the Legislature determined that:

- a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every California family is a priority of the highest order.
- b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.

*Housing Element of the Berkeley Master Plan, 1977, page 1.

- e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.*

The Legislature explicitly recognized that "each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs."** The Legislature further recognized that "....the total housing needs identified...may exceed available resources and the community's ability to satisfy this need....Under the circumstances, the quantified objectives need not be identical to the identified existing housing needs, but should establish the maximum number of housing units that can be constructed, rehabilitated and conserved over a five-year time frame."***

*Section 65580, Art. 10.6, Chapter 3, Division 1, Title 7 of the Government Code.

**Section 65581, op. cit.

***Section 65583, op. cit.

Introduction

It is now five years since the adoption of the Housing Element of the Berkeley Master Plan. It is therefore time to reassess the City's needs and resources, evaluate progress in meeting prior goals, and design a new five-year program. The 1977 Housing Element indicates that periodic review and revision will be undertaken to change outdated policies and goals, if needed. State law also requires local housing elements to be reviewed and revised as appropriate, but not less than every five years.

This Housing Element Update has been prepared in compliance with the requirements of State housing law,--specifically, Section 65580 and following, identified above. The simple format of this document was designed to incorporate the components mandated by the Government Code and, at the same time, be able to respond to the contents of the City's 1977 Housing Element.

Chapter 1 contains an assessment of the City's general population and household characteristics and trends, as a base to begin to identify changes in the City's housing needs. Employment and income data is also used to give a sharper focus to the changes that have taken place.

Chapter 2 includes a more detailed look at some of the special population groups among Berkeley residents, in order to assess their housing needs. These are:

- o physically handicapped,
- o elderly,
- o very large families,
- o single-parent families, and
- o university students.

Chapter 3 contains an examination of the principal resources available to the City to help meet its housing needs, along with a discussion of the limitations to these resources:

- o the present housing supply;
- o vacant land suitable for residential development;
- o federal and state subsidies to help meet the housing needs of low- and moderate-income people;
- o city ordinances and programs aimed at preserving and expanding the supply of housing for all economic levels; and
- o housing market conditions.

Chapter 4 contains an estimate of the City's present and projected housing needs. The projection takes into account Berkeley's expected growth and its share of the region's housing need, as determined by the Association of Bay Area Governments (ABAG) in cooperation with the City of Berkeley and other cities and counties throughout the region.

Both the State and city are aware that ABAG's housing need determination represents an ideal whose accomplishment may be difficult to achieve. As stated in AB 2853 "it is recognized that the total housing needs identified... may exceed available resources and the community's ability to satisfy this need within the content of the general plan requirements." The legislation goes on to state that "the quantified objectives need not be identical to identified existing housing needs but should establish the maximum number of housing units that can be constructed, rehabilitated and conserved over a five year time frame." Chapter 4 also contains goals, policies and quantified objectives for the next five years, for the maintenance, improvement and development of new housing.

The goals introduced in this chapter represent desired ends toward which the community is striving. The specific goals can be said to be an expansion of the State's housing goal which says that "the early attainment of decent housing and suitable living environment for every California family is a priority of the highest order." The policies, in turn, are decisions agreed to by the City Council which provide local direction for achieving the goals and policies.

Chapter 5 contains a detailed program and schedule of actions to implement the policies and achieve the quantified objectives within a 5-year time frame. The action program, as required by State law, is designed to do all of the following:

- o identify adequate sites available via zoning and development standards, with public services and facilities needed;
- o assist in development of housing to meet needs of low- and moderate-income households;
- o address constraints and remove them, where appropriate and possible, through public policy tradeoffs;
- o conserve and improve the condition of existing affordable stock;
- o promote housing opportunities for all persons regardless of minority status;
- o identify agencies and officials responsible for housing program implementation; and
- o describe efforts to achieve public participation of all economic segments of the community in developing and implementing the housing program.

CHAPTER 1. GENERAL POPULATION, HOUSEHOLD, EMPLOYMENT AND INCOME CHARACTERISTICS AND TRENDS

A. Summary

As Berkeley's population has been declining, the number of households has actually increased over the past 20 years, resulting in a City-wide average of just over 2 persons per housing unit. The number of people living in group dwellings, such as college dormitories, has also been falling, but these still constitute a substantial share of Berkeley residents.

Recent trends also show a decrease in the number of jobs located in Berkeley, with most of them held by commuters, rather than by people who live here. The median income of Berkeley households has not kept pace with inflation, as a growing share of the City's families report very low incomes. Minority families and renters are especially concentrated among those with very low incomes. Lower income households tend to pay greater proportions of their incomes for shelter than do more affluent households.

B. Population and Household Trends

At the time of the 1980 Census, Berkeley's population was 103,328. This showed a decrease of 12% since the 1970 Census, for a net decline of over 1,300 people per year.* By comparison, the 5-county metropolitan area** gained 4.5% in population since 1970, but this growth occurred principally in outlying areas, away from the older central cities, such as Berkeley, Oakland and Richmond. In the latter two areas, total population changes, 1970 to 1980, were -6.2% and -5.5%, respectively.

The number of people living in residential dwellings in Berkeley--"persons in households," according to the Census--has remained about 91% of the total population, with the remaining 9% living in group quarters. In this regard, Berkeley is atypical of the entire region, where upwards of 98% of the population live in residential dwellings and between 1% and 2% live in group quarters. Those living in college dormitories account for one out of 15 Berkeley residents, but only one out of 250 in the metropolitan area as a whole.

Household size--the average number of people living together in a dwelling--is typically smaller in Berkeley than in the metropolitan area as a whole. Berkeley's downward trend in average household size over the past two decades results from the fact that the number of households has grown by 5,018 while the number of people living in households has declined by 7,603. Just in the past decade, both the number of households and the number of people living in households declined, but the latter dropped much farther. In fact, by 1980, Berkeley had an average household size of 2.1 people,--smaller than either Oakland (2.3), Richmond (2.6) or the metropolitan area as a whole (2.5).

*See Table 1.1, footnote #2 regarding corrected 1970 Census data.

**Alameda, Contra Costa, Marin, San Francisco and San Mateo Counties, which constitute the San Francisco-Oakland Standard Metropolitan Statistical Area (SMSA).

The number of families living in Berkeley has also been falling rapidly, with a 22% drop in the last 10 years. By 1980, there were about 5,000 fewer families, with Blacks showing a decline of about 22%, the same as the rate for all families, but Whites showed a 26% decline. During the same period, however, families of other racial minorities actually increased in number and percent.

Families have also been getting smaller, with Berkeley's average family now consisting of fewer than 3 people. This is a typical pattern throughout the metropolitan area, where the average family size declined from 3.38 to 3.14 in the past 10 years. Only 53% of Berkeley residents are living with a family member, and only 43% of Berkeley households contain a family. For the metropolitan area as a whole, these figures are substantially higher--77% and 63%, respectively. Since 1970, most areas show a drop in the proportion of the population living with family members, but due largely to the many university students in Berkeley, the decline in family members here is especially pronounced.

Berkeley's population is predominantly White (66%), but in the past decade, the White population declined 14%, while the total population decreased only 12%. The proportion of the total population that is Black dropped from 24% to 20%, reflecting a net decrease of almost 7,000 persons--a 24% decline, twice the rate of the City's population. All other racial groups make up 15% of Berkeley's population in 1980, whereas in 1970, they added to only 8%. Thus, while both the Black and White population groups declined, along with the total population, other racial groups increased by 40% in the last decade.*

Berkeley residents include not only a smaller proportion that are White but an even smaller proportion that are of Spanish origin, compared with the metropolitan area as a whole. On the other hand, a much higher proportion of Berkeley residents are Black--20%, compared with only 12% for the larger area.

The racial balance of Berkeley's public schools has remained almost unchanged since 1968, with some variation from year to year.** A major change has occurred, however, in the decline in total enrollment, from 15,561 in 1968 to 9,554 in 1981. This is three times the rate at which the total population has been declining, which further illustrates the shift from family to non-family households.

All groups identified in public school records showed a comparable decline, except for Hispanics. This group declined along with all others from 1968 to 1975, but since then has been increasing, both in number of students (394 to 470) and in percentage (3.2% to 5% of the total enrollment).

*Changes in number of persons in specific other racial groups is difficult to document, since the 1970 and 1980 Censuses did not use comparable categories for racial composition.

**Berkeley Unified School District, "Report of the Student Racial Census for Grades Kindergarten through Twelve," October 1981.

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TABLE 1.1. GENERAL POPULATION AND HOUSEHOLD TRENDS, 1960, 1970, 1980: BERKELEY AND SMSA¹

	Berkeley			SMSA		
	1960	1970	1980	1960	1970	1980
Total population	111,268	116,716 ²	103,328	2,783,359	3,109,519	3,250,630
% Change		+5%	-11%		+12%	+5%
Persons in Households ³	101,946	106,110	94,343	2,695,642	3,028,343	3,177,235
Number of Households	39,686	45,655	44,704	923,045	1,085,852	1,280,506
% Change		+15%	-2%		+18%	+18%
Persons per Household	2.57	2.32	2.11	2.92	2.79	2.48
% Change		-10%	-9%		-4%	-11%
Persons in Families	97,013	74,316	54,854	2,410,366	2,623,462	2,513,001
% Change		-23%	-26%		+9%	-4%
Number of Families	26,761	24,703	19,239	701,598	776,393	801,511
% Change		-8%	-22%		+11%	+3%
Persons per Family	3.63	3.01	2.85	3.44	3.38	3.14
% Change		-17%	-5%		-2%	-7%
Families as % of All Households	67%	54%	44%	76%	72%	63%
Persons in Families as % of Total Persons	87%	64%	53%	87%	84%	77%

¹SMSA: 5 county "Standard Metropolitan Statistical Area," including Alameda, Contra Costa, Marin, San Francisco and San Mateo Counties.

²A revised estimate of Berkeley's total population for 1970 was reported by the Census Bureau as 114,091. This corrected total is not used in this Housing Element because the Census Bureau did not also report corrected components of that total, such as "population in families," "population by race," etc.

³A "household," according to the Census, is the same as the occupant(s) of a "housing unit," or residential dwelling. Persons in households include single persons living alone and people living with non-relatives, as well as families. "Total population" exceeds "persons in households" by the number of people living in group quarters such as college dormitories, rooming houses, etc.

Source: U.S. Census of Population.

TABLE 1.2. POPULATION IN HOUSEHOLDS AND GROUP QUARTERS,
1970 AND 1980: BERKELEY, SMSA, OAKLAND AND
RICHMOND

- 1980 -

	<u>Berkeley</u>	<u>SMSA</u>	<u>Oakland</u>	<u>Richmond</u>
Total Population	103,328	3,250,630	339,337	74,676
Persons in Households	94,343	3,177,235	331,369	74,126
% of Total Population	91%	98%	98%	99%
Persons in Group Quarters	8,985	73,395	7,968	550
In College Dormitory	6,926	13,459	836	0
In Home for the Aged	511	16,974	2,497	298
In Mental Hospital	6	1,763	238	21
Other Institution	90	11,421	582	104
Other Group Quarters*	1,452	29,778	3,815	127

- 1970 -

	<u>Berkeley</u>	<u>SMSA</u>	<u>Oakland</u>	<u>Richmond</u>
Total Population	116,716	3,109,519	361,561	79,043
Persons in Households	106,110	3,028,343	351,183	78,317
% of Total Population	91%	97%	97%	99%
Persons in Group Quarters	10,296	81,492	10,734	722
In College Dormitory	7,145	13,016	1,066	0
In Home for the Aged	862	15,518	2,797	295
In Mental Hospital	-	1,528	549	16
Other Institution	230	11,953	474	15
Other Group Quarters*	2,059	39,477	5,848	396

*In 1970, persons counted in "other group quarters" included those living in households containing 5 or more persons not related to the head of household (principal tenant or owner). In 1980, this category included such households where 9 or more persons were unrelated to the household head. Thus, part of the decline from 1970 to 1980 is due to this change in definition, but there is no data from the Census to measure the effect of this change.

Source: 1980 U.S. Census, Summary Tape STF-1 for total population, persons in households and persons in group quarters. Subtotals were estimated by adjusting sample data from STF-3 to be consistent with totals contained in STF-1.

TABLE 1.3. POPULATION AND FAMILIES BY RACE/SPANISH ORIGIN, 1970 AND 1980: BERKELEY AND SMSA¹

	BERKELEY				SMSA			
	1970		1980		1970		1980	
	#	%	#	%	#	%	#	%
Persons by Race/ Spanish Origin								
White	79,041	68%	68,198	66%	2,574,802	83%	2,334,928	72%
Black	27,421	24%	20,770	20%	330,107	11%	391,162	12%
Native American ²	nc ³		445	<1%	nc		18,136	1%
Asian & Pacific Islanders ⁴	nc		9,897	10%	nc		325,619	10%
Other	nc		4,018	4%	nc		180,785	6%
Spanish Origin	nc		5,219	5%	nc		351,698	11%
% Change: Total			-12%				+5%	
White			-14%				-9%	
Black			-24%				+18%	
Other			+40%				+156%	
Families by Race	24,703	100%	19,239	100%	776,393	100%	801,511	100%
White	16,058	65%	11,885	62%	657,258	85%	601,346	75%
Black	6,904	28%	5,385	28%	75,437	10%	94,556	12%
Other	1,741	7%	1,969	10%	43,698	6%	105,609	13%
% Change: Total			-22%				+3%	
White			-26%				-9%	
Black			-22%				+25%	
Other			+13%				+142%	

¹SMSA: 5 county "Standard Metropolitan Statistical Area," including Alameda, Contra Costa, Marin, San Francisco and San Mateo Counties.

²"Native American" includes American Indian, Eskimo and Aleut in 1980.

³Census data in 1970 was not comparable to 1980 data for these groups.

⁴"Asian and Pacific Islanders" include Japanese, Chinese, Filipino, Korean, Asian Indian, Vietnamese, Hawaiian, Guamanian, and Samoan in 1980.

Source: U.S. Census of Population.

Black and White students have been roughly balanced over most of the period, with each group constituting about 43% of total public school enrollment. The 1980 Census, on the other hand, reports that 54% of the public school age children are White and only 34% are Black. Thus, it appears that White families tend to have fewer children than Blacks and/or more of Berkeley's White families are childless, in addition to the fact that White children are more likely to attend private schools than are Black children.

C. Employment and Income Distribution and Trends

In 1981, there were about 55,000 jobs located in Berkeley, according to the latest information available from the State Economic Development Department. This indicates a loss of approximately 3,600 jobs since 1970, when a regional transportation study estimated Berkeley employment to be about 59,000.¹ During the same decade, the Census Bureau reported an increase of 603 in the number of employed Berkeley residents, from 50,562 to 51,165.

The fact that local employment opportunities have been declining suggests that housing demand should be easing: households declined only 2%, while job loss was 6%. On the other hand, since there are still many more jobs located in the City than there are employed residents, it would appear that Berkeley is more of an employment center than a "bedroom community" and that housing demand should remain strong.

Furthermore, as Table 1.4 points out, only about 22,200 Berkeley residents work in Berkeley. Thus, with a total of 55,400 jobs in the City, it appears that more than 33,200 people who live elsewhere commute to work in Berkeley. This definitely points to a strong market for Berkeley housing, in spite of the recent decline in jobs here.

The employment profile of Berkeley residents has shifted slightly, between 1970 and 1980, more into private sector work and out of government employment. In 1970, 40% of Berkeley's employed residents worked in federal, state or local government service; by 1980, this figure had dropped to 34%. This compares with 17% of employed residents throughout the metropolitan area working in government service. Thus, even with the substantial decline that has recently taken place, government employment is still an important element in Berkeley's economic picture. This is especially true of the State government, which employs more than 19% of Berkeley residents who work, compared with less than 4% of metropolitan area workers.

¹Population, Employment and Land Use Projections, San Francisco Bay Region: 1970-2000, Summary of Series 2 Projections, Joint Land Use Transportation Planning Program, Association of Bay Area Governments and Metropolitan Transportation Commission, August 1973.

TABLE 1.4. WORKERS AGED 16 AND OVER BY PLACE OF WORK,
1980: BERKELEY

	1980	
	#	%
Berkeley residents who:		
Work in Berkeley	22,192	45%
Work in Alameda County	33,141	67%
Work in San Francisco-Oakland SMSA	44,834	90%
Not reported	3,682	7%
Total	49,767	100%

Source: U.S. Census, 1970 and 1980.

TABLE 1.5. EMPLOYED PERSONS AGED 16 AND OVER BY CLASS OF WORKER,
1980 AND 1970: BERKELEY AND SMSA

	1980		1970		1970-80 Change	
	#	%	#	%	#	%
<u>Berkeley</u>						
Private wage and salary worker	28,017	55%	26,774	53%	+1,243	+5%
Self-employed worker	5,574	11%	3,594	7%	+1,980	+55%
Federal government worker	2,800	6%	3,869	8%	-1,069	-28%
State government worker	9,868	19%	10,642	21%	-774	-7%
Local government worker	4,677	9%	5,497	11%	-820	-15%
Unpaid family worker	229	<1%	186	<1%	+43	+23%
Total	51,165	100%	50,562	100%	+603	+1%
<u>SMSA</u>						
Private wage and salary worker	1,194,633	75%	926,371	73%	+268,262	+29%
Self-employed worker	120,825	8%	90,007	7%	+30,818	+34%
Federal government worker	73,644	5%	80,211	6%	-6,567	-8%
State government worker	59,982	4%	51,516	4%	+8,456	+16%
Local government worker	137,908	9%	114,696	9%	+23,212	+20%
Unpaid family worker	5,900	<1%	4,832	<1%	+1,068	+22%
Total	1,592,892	100%	1,267,643	100%	+325,249	+26%

Source: U.S. Census, 1970 and 1980.

TABLE 1.6. TRENDS IN RETAIL AND SERVICE BUSINESSES, 1967, 1972, 1977: BERKELEY AND ALAMEDA COUNTY

	<u>Berkeley</u>			% Change	
	<u>1967</u>	<u>1972</u>	<u>1977</u>	<u>1967-77</u>	<u>1972-77</u>
Retail Trade Establishments	950	1,019	1,077	+13%	+6%
Without payroll	224	232	306	+37%	+32%
With payroll	726	787	771	+6%	-2%
# of employees	6,400	6,800	7,300	+14%	+7%
Service Establishments	942	1,359	1,764	+87%	+30%
Without payroll	580	900	1,297	+124%	+44%
With payroll	362	459	467	+29%	+2%
# of employees	2,800	3,700	3,300	+18%	-11%
Total without payroll	804	1,132	1,603	+99%	+42%
<u>Alameda County</u>					
Retail Trade Establishments	8,236	8,518	8,351	+1%	-2%
Without payroll	2,650	2,556	2,448	-8%	-4%
With payroll	5,586	5,962	5,903	+6%	-1%
# of employees	51,000	56,700	61,700	+21%	+9%
Service Establishments	6,729	8,820	10,864	+61%	+23%
Without payroll	3,808	5,025	6,867	+80%	+37%
With payroll	2,921	3,795	3,997	+37%	+5%
# of employees	23,700	31,700	33,700	+42%	+6%
Total without payroll	6,458	7,581	9,315	+44%	+23%

Source: U.S. Department of Commerce, Bureau of the Census, Geographic Area Series: California Reports.

To the extent that government employment represents a more stable income than is provided by private business--as it has done traditionally--Berkeley's employment profile bodes well for the housing market. On the other hand, the picture seems to be changing, with Berkeley becoming more like the metropolitan area in this respect. Actually, the fastest growing employment sector, in Berkeley as in the entire metropolitan area, is that of self-employed workers, probably the least stable as to source of income. This category of worker increased by 55% in Berkeley from 1970 to 1980, and by 34% in the SMSA. During the mid-70's, the number of small retail and service establishments located in Berkeley grew at almost twice the rate recorded for Alameda County, where total employment and population increased much faster than in Berkeley. To the extent that this trend reflects the economic behavior of Berkeley residents, it suggests an increase in risk-taking, but at the same time it also reflects a belief that there is enough disposable income available in Berkeley to support the additional businesses. When more current data becomes available on the trend in retail and service businesses, it will confirm whether this trend has been sustained.

Between 1969 and 1979, the median income of all Berkeley households increased from about \$6,660 to \$13,500, as reported by the Census. This reflects an average annual increase of about 7.4% per year, which is somewhat below the rate of growth in the Consumer Price Index for the metropolitan area, which was approximately 7.9%. For families, the median income has increased at about the same rate, but it has remained close to 50% above the median for all households in Berkeley. The big gap between household and family incomes in Berkeley is due mainly to the number of non-family households, including many single people living alone and with relatively low incomes. For the metropolitan area as a whole, median family income is only about 25% above that for all households, since, in the larger area, the proportion of non-family households is much lower than in Berkeley.

**TABLE 1.7. MEDIAN INCOME FOR HOUSEHOLDS AND FAMILIES,
1969 AND 1979: BERKELEY AND SMSA**

	<u>Berkeley</u>	<u>SMSA</u>
Median income for all households		
in 1979	\$13,506	\$20,018
in 1969	6,624*	9,585*
Families		
in 1979	20,360	24,649
in 1969	9,987	11,802

Source: U.S. Census, 1970 and 1980; ABAG estimates (*).

As Table 1.8 illustrates, a large proportion of Berkeley households have very low incomes--20% below \$5,000 and 39% below \$10,000 in 1979. These figures drop to 10% and 24% for families, but even these are relatively high percentages compared with estimates for the entire metropolitan area. Black families and those of Spanish origin are particularly concentrated among the low income categories.

TABLE 1.8. HOUSEHOLDS AND FAMILIES DISTRIBUTED BY INCOME, 1979:
BERKELEY AND SMSA

Berkeley						
	<u>% of All Households</u>	<u>% of Families by Race/Spanish Origin</u>				
		<u>Total</u>	<u>White</u>	<u>Black</u>	<u>Asian</u>	<u>Spanish</u>
Less than \$ 5,000	20	10	6	16	11	14
\$ 5,000 - 7,499	11	7	5	10	4	3
\$ 7,500 - 9,999	8	7	5	10	4	12
\$10,000 - 14,999	15	14	12	19	10	20
\$15,000 - 19,999	12	12	12	14	11	9
\$20,000 - 24,999	9	11	11	10	14	13
\$25,000 - 34,999	10	15	16	13	18	18
\$35,000 - 49,999	8	13	16	6	19	8
\$50,000 or more	6	11	16	2	9	2
Total Households	100%	100%	100%	100%	100%	100%
Median Income	\$13,506	\$20,360	\$24,260*	\$13,741*	\$23,561*	\$15,411*
Mean Income	\$18,942	\$26,554	\$30,593	\$16,467	\$26,437	\$18,391

SMSA						
	<u>% of All Households</u>	<u>% of Families by Race/Spanish Origin</u>				
		<u>Total</u>	<u>White</u>	<u>Black</u>	<u>Asian</u>	<u>Spanish</u>
Less than \$ 5,000	11	6	4	16	6	8
\$ 5,000 - 7,499	6	4	3	9	4	6
\$ 7,500 - 9,999	6	5	4	9	5	7
\$10,000 - 14,999	13	11	10	16	11	14
\$15,000 - 19,999	13	12	11	13	12	14
\$20,000 - 24,999	12	13	13	11	14	16
\$25,000 - 34,999	18	22	23	14	23	21
\$35,000 - 49,999	13	17	18	9	17	11
\$50,000 or more	8	10	12	3	8	4
Total Households	100%	100%	100%	100%	100%	100%
Median Income	\$20,018	\$24,649	\$26,637*	\$15,272*	\$24,581*	\$20,399*
Mean Income	\$24,041	\$29,561	\$30,662	\$18,408	\$26,336	\$22,185

*Median incomes by race/Spanish origin are ABAG estimates and not available in the Census.

Columns may not add to 100%, due to rounding.

Source: U.S. Census, 1980: STF-3.

Not surprisingly, low income households are also predominantly renters, rather than homeowners. This is almost as true for the metropolitan area as it is for Berkeley, although a much larger proportion of households rent in Berkeley. Only among those earning above \$20,000, do homeowners outnumber renters.

TABLE 1.9. RENTER HOUSEHOLDS AS A PERCENTAGE OF ALL HOUSEHOLDS, BY INCOME GROUP, 1979: BERKELEY AND SMSA

<u>Income Group</u>	<u>Renter Households as % of All Households</u>	
	<u>Berkeley</u>	<u>SMSA</u>
Less than \$5,000	87%	78%
\$ 5,000 to 9,999	83%	73%
\$10,000 to 14,999	78%	70%
\$15,000 to 19,999	69%	60%
\$20,000 or more	<u>37%</u>	<u>31%</u>
Total Households	66%	51%

Source: U.S. Census, 1980: STF-3.

About 1/3 of Berkeley households reported incomes of \$20,000 or more in 1979 and close to two-thirds of these are homeowners. Four out of five of such households (10,843 out of 13,537) pay less than 20% of their incomes for housing costs, and this applies both to renters and to homeowners.* Out of approximately 17,000 households who pay less than 20% of their incomes for shelter, close to 8,000 (46%) are renters and more than half of those earn \$20,000 or more.

At the other extreme, there are 13,000 households paying at least 35% of their income for housing, and close to 80% (10,100) of these are renters who report incomes of less than \$10,000. This means that lower income households are not only predominantly renters but also tend to pay higher proportions of their incomes for shelter than do households with greater incomes.

Between 1969 and 1979, Census data indicates that the proportion of Berkeley families with very low incomes increased, as did those with high incomes, while those in the middle of the income spectrum--low and moderate income families--became a smaller share of the total. This observation is based on a comparison of the distribution of families by income level in 1980 with that in 1970. Although the total number of families in the City declined 20% during the decade, very low income families--those earning less than half the median for all families in the City--declined only 10%. Meanwhile, those earning between 50% and 120% of the median declined to a much greater extent than the total. (See Table 1.11, page 1-14.)

*See Chapter 3, page _____, for further discussion of housing costs.

TABLE 1.10. HOUSEHOLDS BY INCOME LEVEL AND TENURE AND BY HOUSING COSTS AS A % OF INCOME IN 1979: BERKELEY

	Housing Costs as a % of Income								Total Reporting	
	<20%		20% - 24%		%25% - 35%		35% +			
	Rent	Own	Rent	Own	Rent	Own	Rent	Own	Rent	Own
under \$5,000	110	69	82	166	267	223	6,035	570	6,494	1,028
\$ 5,000- 9,999	422	584	537	157	1,692	187	4,079	486	6,730	1,414
\$10,000-14,999	1,255	875	1,285	130	1,570	170	840	243	4,950	1,418
\$15,000-19,999	1,983	966	587	125	629	235	206	195	3,405	1,521
\$20,000 or more	4,093	6,750	420	726	403	720	40	385	4,956	8,581
Total Reporting	7,863	9,244	2,911	1,304	4,561	1,535	11,200	1,879	26,535	13,962

TABLE 1.10. HOUSEHOLDS BY INCOME LEVEL AND TENURE AND BY HOUSING COSTS AS A % OF INCOME IN 1979: BERKELEY

	Housing Costs as a % of Income								Total Reporting	
	<20%		20% - 24%		%25% - 35%		35% +			
	Rent	Own	Rent	Own	Rent	Own	Rent	Own	Rent	Own
under \$5,000	110	69	82	166	267	223	6,035	570	6,494	1,028
\$ 5,000- 9,999	422	584	537	157	1,692	187	4,079	486	6,730	1,414
\$10,000-14,999	1,255	875	1,285	130	1,570	170	840	243	4,950	1,418
\$15,000-19,999	1,983	966	587	125	629	235	206	195	3,405	1,521
\$20,000 or more	4,093	6,750	420	726	403	720	40	385	4,956	8,581
Total Reporting	7,863	9,244	2,911	1,304	4,561	1,535	11,200	1,879	26,535	13,962

Among Berkeley's Black families, the shift in income distribution from 1969 to 1979 was even more pronounced than for all families. Those in the very low income category actually increased in number, growing from 27% to 37% of all Black families in the City. At the same time, moderate income Black families declined 40% in number, dropping from 26% to less than 20% of the total.

To better understand the meaning of these income shifts, one would have to examine comparable data for the metropolitan area as a whole and other cities within, in order to judge whether Berkeley families are moving to other areas or whether Berkeley is simply sharing in regional trend. As for housing needs, however, these observations do suggest that Berkeley may be experiencing an increasing need for very low income housing.

TABLE 1.11. BERKELEY FAMILIES BY INCOME LEVEL, 1969 AND 1979

	1969		1979		1969-79 Change	
	#	%	#	%	#	%
<u>All Families</u>	<u>24,379</u>	<u>100%</u>	<u>19,534</u>	<u>100%</u>	<u>-4,845</u>	<u>-20%</u>
Very low income	5,161	21.2%	4,631	23.7%	-530	-10%
Low income	4,456	18.3%	3,217	16.5%	-1,239	-28%
Moderate income	5,111	21.0%	3,700	18.9%	-1,411	-28%
Above moderate	9,651	39.6%	7,986	40.9%	-1,665	-17%
<u>Black Families</u>	<u>6,714</u>	<u>100%</u>	<u>5,385</u>	<u>100%</u>	<u>-1,329</u>	<u>-20%</u>
Very low income	1,783	26.6%	1,970	36.6%	+187	+10%
Low income	1,577	23.5%	1,169	21.7%	-408	-26%
Moderate income	1,741	25.9%	1,044	19.4%	-697	-40%
Above moderate	1,613	24.0%	1,202	22.3%	-411	-25%

Explanation:

Median family income: \$9,987 in 1969; \$20,360 in 1979.

Very low income: Below 50% of median income.

Low income: Between 50% and 80% of median income.

Moderate income: Between 80% and 120% of median income.

Above moderate: Above 120% of median income.

Source: U.S. Census, 1980 and 1970. Family distribution estimated by ABAG.

CHAPTER 2. SPECIAL POPULATION AND HOUSEHOLD GROUPS

A. Summary

Berkeley's elderly population has been declining, both in number of elderly and as a percent of the City's total residents, while an increasing number are minorities. Most of Berkeley's elderly are homeowners and many live alone. Elderly constitute over half of the City's total disabled population, but only 11% of all residents. On the other hand, Berkeley has a somewhat larger share of the region's disabled adults, compared with its share of total adult population. Special housing needed for those physically handicapped is estimated at about 7% of the City's total supply.

The number of very large households in Berkeley has been declining, as the average household size for the City as a whole has also been falling. Homeowners predominate among large households, but the number of homeowners has been declining faster than the total of all large households.

Single-parent families have been increasing while the total number of families has declined. Thus, single-parent families now constitute four out of every ten Berkeley families that include children under the age of 18. Most of these are headed by a single female parent, almost half of which are Black.

Twenty percent of Berkeley's residents are enrolled fulltime at the University of California. More than two-thirds of U.C.'s total enrollment live in Berkeley, and most find housing in the private market rather than in campus housing. The University plans to produce more student housing, both for single and married students, to shift the preponderance to campus housing and away from the private market.

B. Elderly

Persons aged 65 and over currently make up about 11% of Berkeley's total population, which is fairly typical of the metropolitan area as a whole. In contrast to the metropolitan area, however, Berkeley's elderly population has been declining--at a faster rate, in fact, than the total population--while in the larger area, persons 65 and older have been increasing much faster than the total population. As to racial composition, the proportion of Blacks among Berkeley's elderly has increased even more rapidly--rising from 14% in 1970 to 26% in 1980--a trend that is repeated in other central cities in the region.

More than half (57%) of Berkeley's elderly live in family households--a somewhat lower proportion than is typical for the region as a whole (61%). Of those who live in non-family households (4,268), almost 90% (3,790) live alone. In fact, one out of five of all Berkeley residents living alone is an elderly person, while other areas in the region show even higher proportions.

TABLE 2.1. TOTAL POPULATION, ELDERLY AND BLACK ELDERLY, 1970
AND 1980: BERKELEY, SMSA, OAKLAND, RICHMOND

	<u>Total Population</u>		<u>Elderly Population, 65+</u>		<u>Black Elderly, 65+</u>	
	<u>1970</u>	<u>1980</u>	<u>1970</u>	<u>1980</u>	<u>1970</u>	<u>1980</u>
Berkeley - #	116,716	103,328	13,182	11,132	1,906	2,895
% change		-12%		-16%		+52%
SMSA - #	3,109,519	3,250,630	295,478	362,896	15,877	28,352
% change		+5%		+23%		+79%
Oakland - #	361,561	339,288	47,608	44,795	6,675	11,892
% change		-6%		-6%		+78%
Richmond - #	79,043	74,676	6,123	7,836	1,014	2,212
% change		-6%		+28%		+118%

Source: U.S. Census, 1970 and 1980.

TABLE 2.2. TOTAL AND ELDERLY POPULATION BY HOUSEHOLD
TYPE, 1980: BERKELEY AND SMSA

	<u>Total</u>	<u>BERKELEY</u>	
		<u>Persons 65+</u>	
		<u>#</u>	<u>% of Total</u>
All persons	103,328	11,132	11%
In family households	57,352	6,358	11%
In non-family households	36,991	4,268	12%
In group quarters	8,985	506	6%

	<u>Total</u>	<u>SMSA</u>	
		<u>Persons 65+</u>	
		<u>#</u>	<u>% of Total</u>
All persons	3,250,630	362,893	11%
In family households	2,564,724	222,030	9%
In non-family households	612,511	116,840	19%
In group quarters	73,395	24,023	33%

Source: U.S. Census, 1980.

Only ten percent of Berkeley's renter households includes an elderly person, and only one out of three households containing any elderly people is a renter household. Thus, the majority of Berkeley's elderly appears to be homeowners, many of whom live alone. Data on the disabled population (see next section) indicates that about 16% (1,671) of Berkeley seniors are physically handicapped.

TABLE 2.3. GENERAL CHARACTERISTICS OF HOUSEHOLDS CONTAINING ELDERLY PERSONS, 1980: BERKELEY, SMSA, OAKLAND, RICHMOND

	<u>Berkeley</u>	<u>SMSA</u>	<u>Oakland</u>	<u>Richmond</u>
Households with one or more persons 65 or older (65+)	8,274	263,169	32,293	5,914
% of all households	19%	21%	23%	21%
Renter households with one or more persons 65+	2,821	96,379	13,876	1,566
% of all renter households	10%	16%	17%	13%
Renter households with 65+ as % of all households with 65+	34%	37%	43%	26%
Single-person households 65+	3,790	106,172	14,651	2,230
% of all 1-person households	21%	28%	28%	30%
% of all persons 65+	34%	29%	33%	28%
% of households with 65+	46%	40%	45%	38%

Source: U.S. Census, 1980.

C. Physically Handicapped

Based on 1980 Census data, it is estimated that close to 3,200 Berkeley residents are physically disabled--i.e., identify themselves as having a physical, mental or other health condition that has lasted six months or more and results in a "public transportation disability." This data was taken as a fairly reliable--although indirect--basis for estimating the need for special housing facilities for physically handicapped people since it does refer to a physical impairment and is derived from a relatively large sample survey of the total population. However, comparable data from earlier Censuses are not available, so trends cannot be traced.

TABLE 2.4. HANDICAPPED ADULTS, NOT IN INSTITUTIONS,
1980: BERKELEY AND SMSA

	<u>BERKELEY</u>			<u>SMSA</u>		
	<u>Total</u>	<u>16-64</u>	<u>65+</u>	<u>Total</u>	<u>16-64</u>	<u>65+</u>
Total adults, not in institutions	89,197	78,685	10,512	2,565,511	2,221,569	343,942
Disabled	3,167	1,496	1,671	89,568	38,138	51,430
Disabled as % of total	3.55%	1.90%	15.90%	3.49%	1.72%	14.95%

Source: U.S. Census, 1980, STF-3: "Non-Institutional Persons 16 and Over by Age and by Public Transportation Disability."

Almost half of the total--about 1,500--are between the ages of 16 and 64. Compared with the rest of the metropolitan area, the disabled population in Berkeley tends to be somewhat younger as well as a slightly higher proportion of the total population. Moreover, a somewhat larger share of Berkeley's elderly is estimated to be disabled than is estimated for the entire metropolitan area.

Assuming one disabled person per household--all aged 16 and over and none living in institutions--about 7% of Berkeley's households would benefit from having special facilities to meet the needs of the handicapped. These facilities would include increased door sizes, access ramps, specially designed kitchen and bathroom hardware, emergency buzzers, etc. Much of the housing especially suited to the needs of elderly people should have many of the same types of facilities.

D. Very Large Households

Close to 1,000 Berkeley households include six or more people. This is just 2% of the City's total households, but still a substantial number, considering the fact that the citywide average is only 2.1 persons per household. Large households are predominantly homeowners rather than renters. Only among small households do renters outnumber homeowners.

Since many of Berkeley's older single-family homes are relatively large, and most of these are owner-occupied, it can be assumed that most of the large homeowner households have sufficient space to meet their needs. Due to inadequate data, one can only speculate on the adequacy of rental housing available for those large households who do not own their homes. On the other hand, it is also likely that many of the large tenant households are not families and that they include people who live together for financial and/or communal reasons. If Berkeley did not contain so many large homes, such possibilities would not exist and there would be a greater demand for smaller units.

TABLE 2.5. HOUSEHOLD SIZE BY TENURE, 1970 AND 1980: BERKELEY

	<u>1980</u>				<u>1970</u>			
	Total	%	Renter Occupied	Renters as % of Total	Total	%	Renter Occupied	Renters as % of Total
All households	44,704	100.0	27,821	62.2	45,655	100.0	29,732	65.1
1 person	17,691	39.6	13,688	77.4	15,279	33.5	12,178	79.7
2 persons	14,653	32.8	8,610	58.8	15,465	33.9	9,816	63.5
3 persons	6,078	13.6	3,096	50.9	6,464	14.2	3,841	59.4
4 persons	3,840	8.6	1,536	40.0	4,583	10.0	2,352	51.3
5 persons	1,483	3.3	520	35.1	2,218	4.9	937	42.2
6 or more persons	959	2.1	371	38.7	1,646	3.6	608	36.9

Source: U.S. Census, 1980, STF-1.

E. Single-Parent Families

Almost 9,000 Berkeley families include children, and in 40% of these, the children live with only one parent. Since 1970, the number of single-parent families has increased dramatically--up 20% in Berkeley and to an even greater extent in other areas of the region. With the simultaneous decline in the total number of families, the proportion that are headed by only one parent has risen from 28% to 40% in the past ten years. This trend is evident in other areas as well, although the percentages are not always as high as in Berkeley.

TABLE 2.6. SINGLE-PARENT FAMILIES, 1970 AND 1980: BERKELEY, SMSA, OAKLAND AND RICHMOND

	<u>Total Families With Own Children*</u>		<u>1-Parent Families With Own Children*</u>		<u>1-Parent Families as % of Total</u>	
	<u>1970</u>	<u>1980</u>	<u>1970</u>	<u>1980</u>	<u>1970</u>	<u>1980</u>
Berkeley - #	10,727	8,896	2,994	3,584	28%	40%
% change		-17%		+20%		
SMSA - #	408,598	391,000	64,215	94,961	16%	24%
% change		-4%		+48%		
Oakland - #	40,593	39,958	10,792	17,632	27%	44%
% change		-2%		+63%		
Richmond - #	11,146	10,268	2,456	3,859	22%	38%
% change		-8%		+57%		

*The 1980 Census uses the term "own children" to identify those families in which children 18 years old or younger live with one or two parents and in which the children are related to the parents by blood or legal adoption. This definition would exclude households in which married, divorced or foster children live with parents, or in which the children are 18 years old or older.

Source: U.S. Census, 1970 and 1980.

Single-parent families in Berkeley are equally divided between Whites and non-Whites, whereas those with both parents present are predominantly White. Single female parents outnumber males by a ratio of six to one: 3,072 compared with 512. In fact, almost one out of every three Berkeley families containing children is headed by a single female parent, and half of these are Black.

TABLE 2.7. SINGLE-PARENT FAMILIES BY RACE AND SPANISH ORIGIN,
1980: BERKELEY

	Total Families With Children Under 18		Single Parent Families With Children Under 18		Female Parent Only		Male Parent Only		Married Couples/ Parents	
	#	%	#	%	#	%	#	%	#	%
Total	8,896	100%	3,584	100%	3,072	100%	512	100%	5,312	100%
White	5,330	60%	1,803	50%	1,465	48%	338	66%	3,527	66%
Black	2,504	28%	1,547	43%	1,401	46%	146	29%	957	18%
American Indian, Eskimo, Aleut	84	1%	50	1%	50	2%	0	-	34	1%
Asian and Pacific Islander	691	8%	110	3%	90	3%	20	4%	581	11%
Other	287	3%	74	2%	66	2%	8	2%	213	4%
Spanish Origin, any race	445	5%	148	4%	132	4%	16	3%	297	6%

Source: U.S. Census, 1980, STF-3.

Although the type of housing needed by a single-parent family does not differ significantly from that needed by a family with both parents present, their ability to afford adequate shelter is generally much more limited. Not only is their earning-potential usually limited by child-rearing responsibilities, but the total household income is generally that of only one adult. Therefore, the amount available for housing expenses is likely to be quite limited, especially compared with the costs of homeownership in Berkeley. In spite of inadequate data, it seems reasonable to assume that single-parent families are predominantly renters and many of them are living on relatively low incomes.

F. University of California Housing Needs

With a full-time student enrollment of close to 30,000, 2,200 faculty plus 4,400 staff members, the University of California accounts for a substantial portion of Berkeley's housing demand.* Not all of this demand is met by Berkeley's housing supply since many students, faculty and staff members currently live in neighboring communities. Moreover, the University and its affiliates provide housing for almost a third of the student population and are also beginning to do so for faculty members.

Between 1970 and 1980, full-time enrollment at U.C. Berkeley increased moderately, from 27,886 to 29,440, according to a report issued by the Office of the Chancellor in January 1981.** That report indicated that the University expects to have only 28,250 full-time students by 1985. Figures for 1981-82, however, indicate a continued rising trend, with 29,848 as the latest available estimate for the current academic year.

Over the past decade, both the number and proportion of single students has grown while those with families have become a much smaller portion of the total. In 1970-71, for example, out of 27,886 total enrollment, 21,661 were single students (78%); by 1980-81, these figures had risen to 29,848 total and 25,759 single students (86%).

The latest housing and transportation survey report by the University provides information which indicates that two-thirds of the U.C. student population live in Berkeley.*** Among single students, almost three-fourths live in Berkeley, whereas less than a third of students with families are Berkeley residents.

Student housing owned by the University and affiliated institutions provides for almost 7,900 single students, about half of it in housing owned by the University itself and the other half in cooperatives, fraternities and sororities. Most of the student family housing is located in Albany, at University Village, which has 920 apartments. The remaining 102 units are in Berkeley at Smyth/Fernwald housing on Dwight Way.

*All enrollment figures given in this section refer to full-time students.

**Office of the Chancellor, Housing Policies for the 1980s, University of California, Berkeley, 1981.

***University Housing Office, "Housing and Transportation Survey," Winter Quarter, 1981.

TABLE 2.8. U.C. BERKELEY FULL-TIME ENROLLMENT, 1970-1981

	<u>Total Full-Time Enrollment</u>	<u>Single Students</u>	<u>Students With Families</u>
1970-71	27,886	21,661	6,225
1972-73	27,872	22,504	5,368
1974-75	29,102	24,175	4,927
1976-77	28,217	23,994	4,223
1978-79	28,234	24,834	3,400
1979-80	29,440	25,796	3,644
1980-81	29,848	25,759	4,089

Source: University Housing Office, "Housing and Transportation Survey," 1981, and Office of the Chancellor, Housing Policies for the 1980s, University of California, Berkeley, 1981.

TABLE 2.9. U.C. BERKELEY FULL-TIME ENROLLMENT, ESTIMATED BY PLACE OF RESIDENCE AND MARITAL STATUS, 1981

		<u>Single</u>	<u>With Families</u>	<u>Total</u>
Live in Berkeley	%	64.5%	3.9%	68.4%
	#	19,242	1,169	20,411*
Live outside Berkeley	%	21.8%	9.8%	31.6%
	#	6,517	2,920	9,437
Total	%	86.3%	13.7%	100.0%
	#	25,759	4,089	29,848

*According to the 1980 Census, an added 8,000 Berkeley residents attend other colleges besides U.C. or are enrolled less than full time. The housing needs of this group has yet to be examined.

Source: University Housing Office, Op. Cit.

TABLE 2.10. U.C. BERKELEY STUDENT HOUSING, 1980-81

<u>Single Student Housing</u>	<u>Number of Beds</u>
High rise residence halls	2,503*
Manville	122
Bowles, Stern, Shorb	495**
Dwight/Derby	192
International House	560
Subtotal: University-owned	<u>3,872</u>
University Student Cooperative Association housing	1,400
Fraternities, Sororities, other private	2,600
Subtotal: Single Student Housing	<u>7,872</u>
<u>Family Housing</u>	
University Village	920
Smyth/Fernwald	102
Subtotal: University owned	<u>1,022</u>
TOTAL	8,894

*This does not include the temporary assignment of three students to two-student rooms.

**This includes a new wing for 110 women, opened during 1981 at Stern Hall.

Source: University Housing Office, Op. Cit.; Office of the Chancellor, Op. Cit.; Dorothy Walker, "Student Housing at Berkeley," October 20, 1982.

Based on this information, it appears that Berkeley's private housing market currently provides for 42% of the full-time student enrollment: about 11,400 single students and about 1,000 with families. About 27% live in campus housing and the remaining 32% live outside the City of Berkeley. The University has expressed a goal of providing campus housing for 40% of single students and 30% of students with families. This would call for an increase of 2,430 beds for single students and the addition of 120 apartments for students with families, according to the University's figures.

TABLE 2.11. U.C. BERKELEY FULL-TIME ENROLLMENT
ESTIMATED BY TYPE OF HOUSING, PLACE OF
RESIDENCE AND MARITAL STATUS, 1980-81

	<u>Total Enrollment</u>	<u>%</u>	<u>Live in University Related Housing</u>	<u>%</u>	<u>Live in Private Market Housing</u>	<u>%</u>
<u>Total</u>	29,848	100.0	8,894	29.8	20,954	70.2
Single	25,759	86.3	7,872	26.4	17,887	59.9
Married	4,089	13.7	1,022	3.4	3,067	10.3
<u>Live in Berkeley</u>	20,411	68.4	7,974	26.7	12,437	41.7
Single	19,242	64.5	7,872	26.4	11,370	38.1
Married	1,169	3.9	102	0.3	1,067	3.6
<u>Live outside Berkeley</u>	9,437	31.6	920	3.1	8,517	28.5

Source: University Housing Office, Op. Cit.; Office of the Chancellor, Op. Cit.; Dorothy Walker, "Student Housing at Berkeley," October 20, 1982.

In addition, the University recognizes that new faculty members have housing needs that cannot be met adequately without University involvement. Therefore, rental housing is proposed to be provided for 30% of new faculty members, with occupancy limited to about two years.

CHAPTER 3. INVENTORY OF RESOURCES AND CONSTRAINTS

A. Summary

Most of Berkeley's housing is occupied by renters rather than homeowners, although in the past decade a substantial number of renters have been replaced by homeowners. The vacancy rate for owner housing has been rising and the rental vacancy rate has been falling, while both are much lower in Berkeley than in comparable areas. Both owners and renters report housing costs lower in Berkeley than in many surrounding areas.

Although the general quality of Berkeley's housing seems to be improving and the percentage of households living in dwellings in standard condition apparently has increased, still there are more than 2,000 households living in units that may be substandard and/or overcrowded. More than four out of five of these are renters, while vacancies amount to less than 4% of the total substandard.

Vacant land that may be available for additional housing development has been identified in small parcels throughout the City. Some of it is owned by the University of California, other parcels are owned by the School District, and most of it is in scattered private ownership. Presently vacant buildings could add up to 100 units to the City's housing supply. Several studies are under way to clarify development options and, hopefully, will result in a commitment to expand housing resources. The City's water and sewer facilities could accommodate scattered new housing, but major additions at any single location would probably require special assessments.

Many of Berkeley's ordinances are designed to improve and preserve its housing and neighborhood amenities. A number of them have generated considerable controversy, however, over the issue of whether they might in fact actually frustrate efforts to produce more housing. Residential development fees in Berkeley are not out of line with those of comparable cities, although the cost of simply obtaining a building permit is higher in Berkeley than in any city in the Bay Area.

The City's housing assistance programs, funded heavily by federal resources and, to a more limited extent, by the State of California, have generated a substantial amount of subsidized housing for lower income people. They have also aided many low income homeowners in making needed repairs, while many renters have benefitted largely through rent supplements to enable them to afford decent housing. These programs have been used by only a small proportion of the City's low income residents, many of whom pay relatively large proportions of their income for shelter. If federal and state assistance were withdrawn, the City would be hard-pressed to continue these programs with local resources alone. The private housing market seems to be improving, but it will generate little to meet the housing needs of most of Berkeley's low- and moderate-income households.

B. General Housing Characteristics and Trends

The 1980 Census reports that Berkeley contains over 46,300 dwelling, almost two-thirds of which are rented by their current occupants. Vacant units constitute 3.5% of the total, and those reported as available for rent outnumber those for sale by more than four to one. Close to half the vacant units are indicated as neither for rent nor for sale, since apparently there was no information on intended tenure available to the Census. A review of Census tract data indicates that these are widespread throughout the community.

Condominium units make up a very small proportion of Berkeley's housing supply--less than 1%, compared with over 4% for the metropolitan area. The vacancy rate for Berkeley's condominium units is 6%, compared with a 1% vacancy rate for all owner housing. For the metropolitan area as a whole, however, 10% of condominiums are reported to be vacant. With fewer units here, the demand in Berkeley is apparently stronger than in other areas.

The typical dwelling in Berkeley is somewhat smaller than in the metropolitan area as a whole, with Berkeley having a greater proportion of small units and fewer large ones than the SMSA. There are more than 17,000 dwellings with from 1-3 rooms in Berkeley and these are 37% of the city's total housing stock, while larger units, with six or more rooms, constitute only 26% of the total.

Additional one-room units are being added to the supply through the renting of individual rooms in single-family homes. On the other hand, one-room dwellings in residential hotels are gradually being converted to short-term transient use and are thus removed from the housing supply. Both of these trends are generally recognized as being in process, but neither is documented by statistical data.

From 1970 to 1980, the Census indicates that Berkeley had a net loss of more than 1,000 dwelling units, while other central cities in the region gained moderately and the region as a whole grew substantially. A revised estimate for Berkeley's total housing supply in 1970 was later published by the Census, indicating a net gain of almost 200 units. Since only the total figure was revised*, however, and not the components of the total--such as vacant for rent and for sale, units overcrowded, etc.--the corrected total has not been used in tables and text throughout this Housing Element.

During the past decade, the number of owner-occupied dwellings in Berkeley increased by almost 1,000, twice the rate of other central cities, while the number of renter-occupied units decreased by more than 2,000. Berkeley is still predominantly a renter community, just as Oakland and San Francisco are, although the percentage of units that are owner-occupied has grown slightly in all three communities as well as in the metropolitan area as a whole. In Berkeley, however, where total housing supply is reported to have shown a net loss, the shift from renter to owner occupancy indicates that a substantial number of dwellings that had formerly been occupied by renters are now occupied by homeowners.

*See also Table 1.1 for discussion of revised population total.

TABLE 3.1. GENERAL HOUSING CHARACTERISTICS, 1980:
BERKELEY, SMSA

	<u>Berkeley</u>		<u>SMSA</u>	
	#	%	#	%
Total housing units	46,334*	100%	1,339,015	100%
Occupied - total	44,704	97%	1,280,506	96%
- by owners	16,883	36%	679,320	51%
% of occupied	38%	-	53.1%	-
- by renters	27,821	60%	601,186	45%
% of occupied	62%	-	46.9%	-
Vacant - total	1,630	3.5%	58,509	4.4%
- for sale	165	0.4%	10,826	0.8%
- for rent	695	1.5%	24,765	1.8%
- other	770	1.7%	22,918	1.7%
Vacancy rates:				
- for sale, of all owner units	1.0		1.6	
- for rent, of all rental units	2.4		4.0	
- average, rental + owner	1.9		2.8	
Condominiums	250	0.5%	57,568	4.3%
Owner occupied	143	-	34,427	-
Renter occupied	92	-	17,383	-
Vacant	15	-	5,758	-
Year-round housing	46,319	100%	1,337,768	100%
1-room units	2,478	5%	55,358	4%
2-3 rooms	14,697	32%	280,126	21%
4-5 rooms	16,872	36%	520,417	39%
6 or more rooms	12,272	27%	481,867	36%
Median # of rooms	4.1	-	4.8	-

*Living quarters containing nine or more persons unrelated to the person in charge (principal tenant or owner) are not counted by the Census in the housing inventory. They are considered, instead, group quarters. The Census does not collect information about the housing characteristics of group quarters. Persons living in group quarters are, however, counted in most tabulations of total population.

Source: U.S. Census of Population and Housing, 1980, STF-1.

TABLE 3.2. GENERAL HOUSING TRENDS, 1970-1980: BERKELEY, SMSA, SAN FRANCISCO, OAKLAND AND RICHMOND

	<u>Berkeley</u>	<u>SMSA</u>	<u>San Francisco</u>	<u>Oakland</u>	<u>Richmond</u>
Total Housing Units - 1970	47,365*	1,130,239	310,402	146,615	26,931
1980	46,334	1,339,015	316,608	150,274	29,082
% Change	-2.2	+18.5	+2.0	+2.0	+8.0
Occupied Housing - 1970	45,655	1,085,852	295,174	138,831	26,096
- 1980	44,704	1,280,506	298,956	141,657	28,107
% Change	-2.1	+17.9	+1.3	+2.0	+7.7
Owner-Occupied - 1970	15,923	560,749	97,036	58,831	15,599
- 1980	16,883	679,320	100,786	60,805	16,151
% Change	+6.0	+21.1	+3.9	+3.4	+3.5
Renter-Occupied - 1970	29,732	525,103	198,138	80,000	10,497
- 1980	27,821	601,186	198,170	80,852	11,956
% Change	-6.4	+14.5	0	+1.1	+13.9
Vacancy Rate, for Sale					
- 1970	0.76	0.91	0.74	1.25	0.74
- 1980	0.97	1.57	1.73	1.65	1.46
% Change	+27.6	+72.5	+133.8	+32.0	+97.3
Vacancy Rate, for Rent					
- 1970	3.47	4.57	4.74	6.08	4.51
- 1980	2.44	3.96	4.11	5.32	3.21
% Change	-29.7	-13.3	-13.3	-12.5	-28.8
Total Vacant Units - 1970	1,710	44,387	15,228	7,784	835
1980	1,630	58,509	17,652	8,617	975
% Change	-5%	+32%	+16%	+11%	+17%

*A revised estimate of Berkeley's total housing units for 1970 was reported by the Census as 46,160. See text for explanation.

Source: U.S. Census, 1980 and 1970.

The shift in tenure is also reflected in changes in the vacancy rates, with a drop from 3.5 to 2.4 for rental housing and an increase from 0.8 to 1.0 for units that are vacant for sale. The decline in the rental vacancy rate was steeper in Berkeley than in most other areas in the region, while the increase for owner units was more modest. Thus, Berkeley's housing market would appear to be tighter than that of comparable communities, with a stronger demand for both owner and rental units.

TABLE 3.3. VACANT HOUSING UNITS, 1970-1980: BERKELEY AND SMSA

	<u>Berkeley</u>		<u>SMSA</u>	
	<u>1970</u>	<u>1980</u>	<u>1970</u>	<u>1980</u>
Total vacant	1,710	1,630	44,387	58,509
% Change		-5%		+32%
For sale	122	165	5,148	10,826
% Change		+35%		+110%
For rent	1,070	695	25,153	24,765
% Change		-35%		-1.5%
For occasional use	135	79	3,905	4,073
% Change		-41%		+4%
Seasonal/migratory	1	15	972	1,247
% Change		+1,400%		+28%
Other vacant	382	676	9,209	17,598
% Change		+77%		+91%

Source: U.S. Census, 1980 and 1970.

Compared with the metropolitan area as a whole, more of Berkeley's housing is in the lower cost levels and less is at the higher levels. This is true of other central cities as well, with Oakland and Richmond having an even stronger tilt toward lower cost housing than Berkeley. The costs of homeownership tends to be a lot higher in Berkeley than in other older cities, whereas the range of rental rates here is closer to that of Oakland and Richmond than it is to the entire SMSA.

TABLE 3.4. HOUSING COST BY TENURE, 1980: BERKELEY, SMSA, OAKLAND, RICHMOND

	<u>% of Renter Households by Rent Level*</u>			
	<u>Berkeley</u>	<u>SMSA</u>	<u>Oakland</u>	<u>Richmond</u>
Very low rent	10%	8%	16%	15%
Low rent	35%	21%	35%	33%
Moderate rent	37%	38%	36%	38%
Above moderate	18%	32%	13%	14%

	<u>% of Owner Households by Level of Owner Costs*</u>			
	<u>Berkeley</u>	<u>SMSA</u>	<u>Oakland</u>	<u>Richmond</u>
Very low cost	15%	13%	19%	26%
Low cost	26%	25%	33%	32%
Moderate cost	25%	23%	22%	23%
Above moderate	33%	40%	26%	19%

Explanation

Median rent, SMSA: \$291.00

Median monthly owner costs, SMSA: \$434, for housing units with a mortgage. (\$106 is the SMSA median for those without a mortgage. Data shown above refers to housing with mortgage.)

Very low = below 50% of SMSA median.

Low = between 50% and 80% of SMSA median.

Moderate = between 80% and 120% of SMSA median.

Above moderate = above 120% of SMSA median.

Included in homeownership costs are: real estate taxes, fire and hazard insurance premiums, mortgage payments, utility and fuel costs. Maintenance and repair costs are excluded.

Data on shelter costs of homeowners was collected for the first time in the 1980 Census; comparable data for earlier years is, therefore, not available.

Source: U.S. Census, 1980: STF-3. (Totals may not add to 100% due to rounding).

The distribution of Berkeley households by income level (see discussion in Chapter 1) stands in sharp contrast with the housing cost distribution. Close to 40% of Berkeley's households are in the very low income category, compared with the median income for the metropolitan area as a whole, but only 10% of Berkeley's renters and 15% of its owners have very low housing costs. In the low- to moderate-income levels--those earning between \$10,000 and \$24,000--are one-third of Berkeley's households, but over two-thirds of its rental housing and more than half the City's owner housing is priced at this level. At the upper end of the scale, there appears to be a better match, since such a large share of Berkeley's owner housing is in the higher cost level.

C. Housing Condition

As indirect indicators of housing condition or quality, the incidence of both overcrowding and inadequate plumbing facilities declined in Berkeley between 1970 and 1980, as they did in most other communities. Using these two measures to assess housing quality--as they have traditionally been used when more direct measures are unavailable--housing conditions seem to have improved a lot in Berkeley, which apparently lost about a third of its substandard housing during the last decade. Meanwhile, occupied housing in standard condition--neither overcrowded nor lacking plumbing--actually increased slightly, as the percentage of Berkeley households estimated to be living in standard housing also increased.

In spite of this improvement, it is estimated that more than 2,000 substandard dwellings remained in the City in 1980. About one-fifth of these were owner-occupied, less than one hundred were vacant, and the remainder were occupied by renters. About 7,000 people live in these 2,100 units, at an average density of almost 4.4 persons per dwelling, which is more than twice the citywide average for all households. Although these dwellings may not literally be in physically substandard condition,--so that they pose a threat to the health or safety of their occupants--sustained overcrowding does lead to deterioration, simply through heavy wear and neglected maintenance. If only for this reason, it is important to include in the City's housing program actions which will help reduce the densities in such overcrowded areas, while improving the physical condition of the housing itself.

TABLE 3.5. OCCUPIED HOUSING UNITS WITH SUBSTANDARD PLUMBING AND OVERCROWDED, 1970-1980: BERKELEY

	<u>Substandard Plumbing*</u>		<u>Standard Plumbing</u>		<u>Total</u>	
	<u>1970</u>	<u>1980</u>	<u>1970</u>	<u>1980</u>	<u>1970</u>	<u>1980</u>
Overcrowded Units	126	74	1,950	1,354	2,076	1,428
% Change	-41%		-31%		-31%	
Renter occupied	121	60	1,480	1,061	1,601	1,121
Owner occupied	5	14	470	293	475	307
Not overcrowded units	1,179	745	42,400	42,531	43,579	43,276
% Change	-37%		+<0.1%		-0.1%	
Renter occupied	1,085	646	27,046	26,054	28,131	26,700
Owner occupied	94	99	15,354	16,477	15,448	16,576
<hr/>						
Total occupied units	1,305	819	44,350	43,885	45,655	44,704
% Change	-37%		-1%		-2%	
Renter occupied	1,206	706	28,526	27,115	29,732	27,821
Owner occupied	99	113	15,824	16,770	15,923	16,883

*Definitions: "Substandard Plumbing" refers to the Census expression "lacking complete plumbing," which includes units with complete plumbing shared with another household, units having some but not all of the listed plumbing facilities and units with none of the listed facilities, which included hot and cold running water, flush toilet, and bathtub or shower. "Overcrowded units" are those occupied by 1.01 or more persons per room,--i.e., more people than rooms in the dwelling.

Source: U.S. Census, 1970 and 1980.

TABLE 3.6. PERSONS IN OCCUPIED HOUSING UNITS WITH
SUBSTANDARD PLUMBING AND OVERCROWDED, 1980:
BERKELEY

	<u>Substandard Plumbing</u>	<u>Standard Plumbing</u>	<u>Total</u>
Overcrowded Units	74	1,354	1,428
Persons in units	247	5,969	6,216
Persons per unit	3.3	4.41	4.35
Rental units %	81%	78%	79%
Owner units %	19%	12%	21%
Not overcrowded units	745	42,531	43,276
Persons in units	1,084	87,043	88,127
Persons per unit	1.46	2.05	2.04
Rental units %	87%	61%	62%
Owner units %	13%	39%	38%
<hr/>			
Total occupied units	819	43,885	44,704
Persons in units	1,331	93,012	94,343
Persons per unit	1.62	2.12	2.11
Rental units %	86%	62%	62%
Owner units %	14%	38%	38%
<hr/>			
Vacant units	89	1,526	1,615

D. Land Available for New Housing

Although Berkeley is predominantly built-up, it does contain a number of land resources that would permit significant additions to be made to the City's housing supply. These include properties owned by the University of California, the Berkeley Unified School District and the City, as well as scattered vacant and underutilized parcels throughout the community.

The University has identified twelve sites, consisting of about 24 acres, which it owns and which have a potential for housing development. They vary in size from 0.5 to 6.2 acres each and are almost all located in relatively high density neighborhoods, close to the main U.C. campus and with good public transportation. All are in some type of use at present, including parking, administration and research. These uses either could be transferred to another location that is less feasible for housing or could be terminated. These sites are the following:

SITE	CURRENT USE	LOT SIZE (in acres)	PUBLIC TRANSPORTATION	PROBLEM IN DISPLACING CURRENT USE
Durant and College	parking	.5	good	low
2401-2405 Bowditch	Housing Office, Purchasing	1.0	good	moderate
Channing and Bowditch	Personnel	1.5	good	moderate
Anna Head area	administrative, research, child care, parking	2.8	good	major
Haste/Dwight/ Bowditch	open space, parking	2.8	good	major
Bancroft, Dana	parking	.7	good	moderate
Bancroft and Fulton	parking, recreation	2.8	excellent	moderate
Center/Oxford	Printing	.6	excellent	moderate
Oxford/ Berkeley Way	UC Garage	.4	excellent	major
Oxford, Virginia Walnut	Agriculture, research	6.2	excellent	moderate
La Loma/Ridge	Parking, private property	1.8	fair	moderate
Areas east and west of Stern H.	Landscape, parking	3.0	fair	low

The University is currently undertaking an extensive study of development opportunities in and near Berkeley's downtown area, which includes many of the parcels listed above.* Various residential development options are being considered, including new rental housing--preferably subsidized--for students and junior faculty, new market rate housing and rehabilitation of existing residential structures. Other options include expansion of office space for University administrative functions, University research facilities, private retail and office space, garage facilities and a hotel/conference complex. A large number of structures in the area have either been designated as historic landmarks or are eligible for the National Register of Historic Places, and the disposition of these will require special attention. The consultant's final report is due in January, 1983. It will contain, among other things, a careful analysis of the financial feasibility of the various options and will reflect public comments received during the review period.

The City has undertaken its own study of downtown development options, to examine mostly the same area and sites included in the U.C. study. Close coordination of University and City action will be needed in the final phases of both studies, in order to achieve maximum benefit to the community at large.

The 50-acre State-owned former site of the School for the Deaf and Blind, at Dwight and Derby Streets, is proposed for reuse as housing--for students and faculty, and for seniors. Some existing dormitory space has been renovated by the University to house about 190 single students, and an additional 550 beds are to be provided over the next few years. The University is proposing to build new rental apartments for married students and/or junior faculty, on part of the site. Another portion will be deeded to the City or a City-designated sponsor to build 150 to 200 units of subsidized housing for low-income elderly.

Over a number of years, the expansion of U.C. administrative and research facilities has removed thirteen buildings from residential use. In aggregate, these sites could provide housing for close to 300 students. They are located in residential areas, close to the U.C. campus, and may be considered as possibly being returned to residential use in the future. These properties, listed below by address and use, were identified by the University.**

*University of California, Berkeley, West Side Study, Draft, Sedway/Cooke, November 22, 1982.

**

BUILDING ADDRESS	PRESENT USE	SIZE (in assignable square feet)	POTENTIAL BEDS
2224 Piedmont	Anthropology	4,300	23
2240 Piedmont	Center for Study of Law and Society/ Jurisprudence & Social Policy	5,300	23
2220 Piedmont	Anthropology	6,450	35
2251 College	White Mountain Research Laboratory	9,450	30
2222 Piedmont	Linguistics	1,850	10
2234 Piedmont	Institute for International Studies/Demography	2,700	10
2232 Piedmont	Anthropology	4,650	16
2241 College	English as a Second Language	2,100	10
2243 College	Anthropology	1,000	5
2607 Hearst	Graduate School of Public Policy	7,050	24
2521 Channing	Institute of Industrial Relations	15,600	79
2334 Bowditch	Miscellaneous Research	1,850	11
2417 Haste	Unassigned	2,050	10

The Berkeley Unified School District (BUSD) recently listed seventeen sites which it owns and which may be considered for disposition for housing or another type of use. These include:

- 1414 Walnut Street, the former BUSD administration building, now leased as a community center;
- 1707 Russell Street, Maintenance Yard,
- 2607 Seventh Street, Warehouse, and

- 801 Parker Street, Transportation Yard, all three of which uses may be combined at a single site;
- 720 Channing Way, former Data Processing Center, which has moved to Old City Hall;
- 1033 Heinz Street, former Bilingual Media Center, which moved to Thousand Oaks site;
- 2314 Bancroft, formerly leased to St. Marks;
- 2731 Regent Street, formerly the Willard Parent Nursery, now leased to the City of Berkeley;
- 1222 University Avenue, currently the Berkeley High School West Campus, which is to be moved to the main campus in 1983.
- Grizzly Peak and Tilden Schools, which the Board of Education is considering for disposal.

Seven additional non-school sites owned by BUSD are also under review by the Board's Surplus Facilities Use Committee, but these are currently in active use by a City or school board program and/or they are under long-term lease commitments. The City should work closely with the Board and its committee to ensure that any decision regarding disposal of surplus school property takes into account the needs of the community at large, including its housing needs.

Sante Fe railway has begun to consider development options for the 100-150 acres of predominantly vacant land it owns along Berkeley's waterfront. A wide range of uses may be combined, including residential, light industry, business services, etc. Since the study process is just getting under way, it is too early even to guess what types of development may ultimately occur. It is, however, quite appropriate to anticipate that whatever type of development occurs, it is likely to have an impact on housing needs. On the one hand, development of this area may add to the housing supply through new construction. On the other hand, it may also increase housing demand through the creation of new employment opportunities. Since both possibilities are likely, the City should seek opportunities to participate in decisions regarding this project.

A former railroad right-of-way, cutting through the center of Berkeley west of Sacramento Street, was turned over to the City by the Sante Fe Railroad in 1980. Various options were considered and the City Council adopted the following set of policies and assumptions to guide the disposition of this property:

Policies

1. Pursue a concept of mixed use on the right-of-way.
2. Develop the right-of-way between Addison and Bancroft and between Cedar and Rose for park use.

3. Acquire BART properties immediately north and south of Cedar-Rose Park so that these properties may be appropriately planned in conjunction with the park. Acquisition of the excess BART properties north of the North Berkeley BART Station should be considered so that these properties may be appropriately planned in conjunction with the Santa Fe properties.
4. Retain sites suitable as relocation sites for houses owned by the City.
5. Offer for sale to private parties (for development consistent with applicable zoning regulations) those portions of the right-of-way not needed for public use.
6. Give preference to abutting property owners in the sale or disposition of parts of the right-of-way not needed for public purposes.
7. Allow development of right-of-way not retained for public use, in a way that is consistent with applicable zoning.

Assumptions

1. The Corporation Yard--on Bancroft Way, adjacent to the right-of-way--will be moved to a more suitable location as soon as the City can accomplish that.
2. Sacramento Street will be reconstructed in accordance with the adopted Area Improvement Plan.
3. Cedar-Rose Park will be constructed in accordance with the adopted plan.

Since 1980, much of the land included in the right-of-way has been committed to park and recreation use, including: the section between the Albany line and Hopkins Street, which is very narrow and is proposed for pedestrian and bike paths; from Hopkins to Lincoln Street, which has been developed as Cedar-Rose Park; and from Addison Street to Bancroft Way, where a neighborhood park is now under construction.

Santa Fe has retained title to a portion of the land--University Avenue to Addison Street,--and did not own the section north of University, to Lincoln Street. The City is now looking into the feasibility of acquiring this latter section and making it available for new development, possibly as housing. This is a narrow section, however, only about 30 feet wide, which adds up to about an acre stretched out over seven blocks. South of Bancroft Way, the strip is also quite narrow and is unlikely to generate much if any new housing opportunities. One possibility that is being considered is the addition of this land to adjacent properties, which would thereby create parcels large enough to permit development of second units. The area also contains a few opportunities for new housing development, if former railroad right-of-way is combined with vacant land and street right-of-way. These options are currently being pursued by the City, but, again, would yield only a few new dwellings.

In 1974, the City of Berkeley conducted a detailed inventory of vacant lots throughout the City. Over 800 lots were identified and about two-thirds were found to be in areas zoned for residential use. Since then, close to 200 parcels have been developed, which leaves almost 400 remaining parcels scattered throughout the City that are presently available for residential development. Seventy-seven of these are larger than 10,000 square feet, which means that they could probably accommodate two or more new dwellings on each parcel, in spite of the fact that many are located in hillside neighborhoods. The remainder are between 5,000 and 10,000 square feet and could generate between 300 and 400 new units. In summary, about 600 new residential dwellings could be built on private owned vacant land scattered throughout the City, based on existing zoning standards.

E. Vacant Buildings

A recent survey was conducted by the city to identify vacant buildings that may provide additional housing opportunities. Sixty-three vacant buildings were found, mostly in residential zones, and mostly in the western half of the city. Only four were judged to be in such poor condition that they should be demolished. Repair estimates ranged from about \$10,000 to \$36,000 per unit, with most under \$20,000. In all, these buildings currently contain about 100 units. Several scattered vacant lots were also identified in the course of the same survey and these also could accommodate a few new dwellings. Twenty-four of the 63 vacant buildings are owned by the Berkeley Redevelopment Agency, which will be seeking new homeowners and providing assistance for their repair. These 24 buildings contain 32 dwelling units. The remaining 38 buildings are in private ownership and could be rehabilitated to provide housing for 64 new households.

F. Infrastructure for Residential Development

Basic infrastructure needed to serve the City's residential areas is currently adequate to accommodate additional housing that could be built on scattered small parcels throughout the City or through additional second units. The construction of 200 or more units, as planned for the former site of the School for the Deaf, would, however, require a special assessment to pay for needed water and sewer facilities. If entirely new areas were ever opened to residential development, such as along the waterfront, or if a substantial amount of housing were to be added through redevelopment--in South Berkeley or near the Central Business District--the adequacy of water and sewer facilities would need to be reassessed.

The principal constraint connected with the City's infrastructure is that, since the City has been predominantly built-up for many years, the sewer and water facilities, and especially the local streets, are in need of constant and costly maintenance. The City has recently raised and restructured its sewer service fees to help pay for such maintenance, with additional costs covered by the City's General Fund. Any addition to the housing supply without a commensurate contribution to help pay for needed municipal services and facilities would be difficult to justify.

G. Municipal Ordinances

The following section describes those ordinances now in effect which are most significant with regard to the City's housing resources. They help to preserve the existing supply and also set standards for production of new housing. To some observers, local codes may be seen as a constraint on new development, setting obstacles in the way of those who would produce housing that would meet needs. On the other hand, they also provide a direct benefit to the City, in protecting existing housing and neighborhood amenities and promoting the safety and security of present residents.

1. Zoning

The zoning ordinance of the City of Berkeley provides for a wide range of residential densities and types of development. Residential uses, in fact, are permitted throughout the City in all districts, subject to securing a use permit. Preservation of the City's housing supply and the residential amenities of its neighborhoods are major principals embodied in the zoning ordinance.

The "Environmental Safety Residential (ES-R) District," for example, is identified in areas "with substandard vehicular access...located in proximity to known fire and earthquake hazards and...exceptionally vulnerable to severe damage or destruction from these causes." Special provisions cover off-street parking requirements and required distance between structures, with fire department comment needed before approval of any permit to reduce required distance. The main purposes are to protect lives and property by assuring accessibility and effectiveness of emergency equipment and to protect views and privacy while allowing appropriate development to occur.

Another example is the explicit recognition that the renting of rooms in private residences is a widespread occurrence and therefore is a permitted use, but it also generates a need for off-street parking. Where street parking is a special problem--such as in ES-R districts--off-street parking requirements are determined by the number of persons renting rooms.

"In-law apartments" may be established in all dwellings, subject to securing a use permit. In order to get a permit, the apartment must be for use by "a member of the family occupying the principal quarters" and "an integral part of the same building." The floor area is limited to 500 square feet or one-third of the gross floor area of the structure, whichever is greater. No provisions are included in the ordinance to ensure that, when the property is sold after the in-law unit has been developed, it will continue to be used only by a family member.

The zoning ordinance prohibits the loss of any legal dwelling unit through conversion of a building from residential to

non-residential use, unless a use permit is secured and follows a public hearing. At least one of the following findings must be made by the Board of Adjustments in order to grant such a permit:

- (1) That the elimination or reduction of the dwelling unit or units would not result in a reduction of housing supply essential to the well-being or housing needs of the City or of persons residing in the neighborhood in the vicinity of the building involved; or
- (2) That the dwelling unit or units are situated in an environment unsuitable for residential occupancy, and that suitable housing will be made available to present occupants; or
- (3) That the application seeks to eliminate one or more units which, at the time of the application, exceed the number of residential units permitted by the residential density requirements applicable to the district within which the subject structure is located; or
- (4) That such consolidation will result in the restoration of the residential density for which the structure was originally constructed.

Other provisions of the zoning ordinance include:

- o Combined living and work quarters are permitted in commercial and industrial districts, where the non-residential activities are otherwise permitted and where the residential space is limited to 20% of the building floor area, or 1,000 square feet, whichever is less.
- o An office-residential (O-R) district is defined to encourage mixed uses, with standards provided to assure adequate light, air, privacy and usable open space.
- o Solar energy equipment and structures are allowed to encroach into required yards and exceed height and coverage requirements, provided a use permit is secured and provided that the main building conforms to the City's Residential Energy Conservation Ordinance. (See page 3-18 following.)
- o For multiple dwellings for exclusive occupancy by persons over the age of 62, the parking requirement is reduced by 25%.

2. Condominium Conversions

Initially adopted in December 1979, and amended twice in 1980, this ordinance prohibits conversion of rental units to condominiums, community apartments or stock cooperatives (as defined by State Code), unless the City's overall vacancy rate is 5% or higher. Until the City determines that the vacancy rate is at least 5%, "a housing shortage exists which is inconsistent with the purposes of this ordinance, and with the adopted policies of the City as set forth in the housing element of its Master Plan." (Sec. 1, Ordinance No. 5218.) New condominium projects may be developed and buildings previously in non-residential use may be converted to residential condominiums.

No applications have been accepted since enactment of the ordinance for conversion of multi-unit structures. The ordinance was found to exclude properties on which several single family houses exist. About six units have been converted from rental to condominium where each unit is in a separate structure.

The law does, however, permit conversion of a rental structure to a limited-equity cooperative, when the vacancy rate is under 5%. The main purpose of the ordinance was to preserve rental housing and avoid displacing those who would be unable to find adequate replacement housing within the City.

3. Residential Energy Conservation

This ordinance, adopted in 1981, requires all residential structures before they are sold or exchanged, to be brought up to specified standards with regard to energy conservation measures. These standards refer to ceiling insulation, furnace ducts sealed against leaks, water heater insulation blanket, low-flow shower fixtures, and water pipe insulation. An expenditure of \$1,000 is set as the maximum that a seller shall have to spend on a one-unit structure; 0.50 per square foot is the maximum on a structure containing two or more units. (See also description of City's Energy Conservation Program, page ____ following).

4. Municipal Solar Utility

City Council has just adopted an ordinance establishing the City of Berkeley as a Municipal Solar Utility (MSU) in order to promote development and use of solar and related energy equipment. Under newly enacted State law (AB 3788, Hannigan), tax credits are available to those leasing such equipment under permits granted by an MSU established prior to 1983. Adoption of this ordinance may have such benefits as these: to residents, or energy users who lack the capital needed to build solar or related equipment but can receive long-term cost savings and tax credits through lease arrangements; to investors and local businesses, who can profit from solar equipment development, leasing, sales and service; to the City and the community at large, as a potential consumer leasing cost-saving energy equipment, and through lessened dependence on costly traditional energy resources and increased use of more efficient energy innovations.

5. Rent Stabilization

The current rent stabilization program was established by an ordinance passed by the City Council on November 27, 1979, effective June 30, 1980. It was amended by three subsequent actions: Ordinance No. 5261-NS, Rent Stabilization and Eviction for Good Cause Ordinance, June 3, 1980; voter initiative "Measure G", the Tenants Rights Amendments Act of 1982; and the Measure N Charter amendment of 1982.

In its present form, the City's rent stabilization program is designed to:

- o regulate residential rent increases and
- o protect tenants from unwarranted rent increases and arbitrary, discriminatory or retaliatory evictions, in order to
- o help maintain the diversity of the Berkeley community, and to
- o advance the housing policies of the City with regard to low and fixed income persons, minorities, students, handicapped and the aged.

The Measure N Charter amendment established an elected Rent Stabilization Board to consist of nine elected commissioners with four year terms. The first commissioners are to be elected at the June 1984 statewide primary election. The Board shall finance its expenses by charging an annual registration fee and will have the power to hire staff independent of the City Manager.

Landlords are required to register their rental units with the Rent Stabilization Board. A "base rent ceiling" is fixed as of May 31, 1980. It may be adjusted annually by action of the Board taking into consideration changes in utility costs (if paid by the landlord), property taxes, maintenance and operating expenses, plus information on changes in the rental housing market in the City and surrounding communities, and changes in the Consumer Price Index. No rent increase is permitted if the landlord has failed to maintain the property in habitable condition or to make whatever repairs may be ordered by the City's Housing Inspection Services. Grounds for eviction are specified, as are procedures for protecting tenants against retaliatory evictions.

6. Discrimination Against Families with Children in Rental Property

In 1975, the City of Berkeley declared it unlawful for property owners or their agents to refuse to rent or lease any accommodation on account of the potential tenancy of a minor child or children. It is also illegal to refuse to show a dwelling to parents of minor children, or to advertise any preference, limitation or discrimination based on potential tenancy of minor children, or to discriminate in the terms or conditions of tenancy on that account.

Exempted from this ordinance are residential buildings whose owners have publicly established a policy and a practice of renting exclusively to elderly people.

7. Neighborhood Preservation

Adopted in 1973 as an interim measure, the Neighborhood Preservation Ordinance (NPO) set in place interim regulations which (1) required a public hearing for any new residential unit, (2) required at least 25% of units in developments of more than four units to rent at levels affordable to lower income households, (3) mandated environmental evaluations and compliance with affirmative action policies, and (4) permitted the demolition of residential units only in very limited situations.

With the 1979 adoption of the rewritten master plan, completion of a citywide residential reclassification program and amendment of the Zoning Ordinance to require a public hearing for all new residential units, only the demolition controls and the inclusionary requirement of the NPO are still in effect.

Demolition of a residential building is permitted only if the Board of Adjustments or City Council determined that it would not be "detrimental to the housing needs and public interest of the affected neighborhood and the City," that appropriate relocation housing is provided and that either the building to be removed is "hazardous, unusable or unrepairable" or that its demolition is necessary to enable construction of permitted new housing. An environmental review is required for all new construction or demolition projects.

The inclusionary requirement has to date produced only nine low cost units. Some market rate condominiums and small (less than four unit) buildings have been built. No projects of over eight units of unassisted rental housing have been constructed since 1973. Demolition of residential units has ceased except to make room for new units or where the structure is damaged beyond repair, as in a fire.

8. Landmarks Preservation

This ordinance was enacted in 1974 to protect "structures, sites and areas of special character or special historical, architectural or aesthetic interests or value" from unnecessary destruction or alteration. A Landmarks Preservation Commission is formed and charged with establishing a list of "areas, structures and sites..." from which list the commission may designate landmarks and historic districts. Those designated are subject to a delay of one year if proposed for demolition, to permit a search for alternatives that would allow their preservation. The Commission reviews and decides on applications for construction demolition or alteration of buildings in historic districts and on landmark sites. The Commission may also take broad actions to preserve and

enhance designated landmarks and historic districts. To date, a total of sixty landmarks have been designated, including only a few residential structures.

9. Mobilehomes in Residential Districts

Berkeley has enacted no special ordinance regulating the location or design features of mobilehomes or manufactured housing, in response to recent State legislation (S.B. 1960). In allowing "one-family dwellings in all districts, subject to a use permit, the zoning ordinance makes no distinction between a unit built by conventional means and a mobilehome--one built in a factory and carried to the home site. Such a dwelling could be permitted now, although to date, the City has received no proposals to place a mobilehome on a permanent foundation on any residential lot. In reviewing such an application, the City would have to apply the same criteria to a mobilehome as to a conventionally built dwelling, with three exceptions allowed under State law: the City could impose special requirements for mobilehomes as to siding, roofing material and the size of the roof overhang. State law also allows cities to prohibit mobilehomes in designated areas where they would be incompatible with existing development, such as in historic preservation districts or where all existing homes are of two or three stories.

H. Residential Development Fees

The total cost of securing all residential development permits in Berkeley is generally in line with other similar cities. Total fees for single family units are significantly lower in Berkeley than the regional median, but almost identical with the amount charged in Oakland and Richmond. For multi-family development, Berkeley's fees are higher than Oakland's and lower than Richmond's, but all three are below the regional median. Looking at fees charged for each type of permit needed, however, one finds that some of the fees charged in Berkeley are much higher than average and others are much lower.

In 1982, ABAG published the results of a survey of development fees charged by cities throughout the Bay Area.* It reported that the median per unit charge for single-family development was \$3,490, and the range for all cities responding was between \$420 and \$8,568. In Berkeley, the charge was \$2,628, in Oakland \$2,654, and in Richmond \$2,558. Most of Berkeley's charge was for securing a building permit--\$1,786, compared with \$794 in Oakland, \$555 in Richmond, and \$447 for the regionwide median. Utility connection charges on the other hand, were lower in Berkeley: \$823, compared with \$1,478 in Oakland, \$1,528 in Richmond, and \$1,565 for the regionwide median.

*Development Fees in the San Francisco Bay Area, An Update, Association of Bay Area Governments, January 1982.

For a typical 7-unit multi-family development, permit fees in Berkeley totalled \$6,795; in Oakland, \$5,192, and in Richmond, \$8,638. The regionwide median was \$11,387, but the range was very wide: from \$1,610 in unincorporated Solano County to \$36,578 in Livermore. The building permit fees charged in Berkeley were the highest found in the region, both for multi-family and for single-family development: \$6,129, compared with a median of \$1,597 for all cities and counties reporting in the region. Berkeley charges no "growth impact" fees for multi-family developments, however, as other communities do, to pay for such public facilities as parks, roadways and schools.

Utility connection fees for new multi-family developments were also reported to be lower in Berkeley than in other areas. Berkeley would charge \$2,213 for a 7-unit building, compared with \$2,243 in Oakland, \$6,933 in Richmond, and a regionwide median of \$6,835.

On a per unit basis, municipal fees charged for multi-family developments are substantially lower than for single-family development. This is true for Berkeley as it is for other areas in the region. Although Berkeley's building permit fees are the highest found in the 9-county area, its minimal or zero charges for other types of permits required puts Berkeley into a moderate position with regard to total development fees, both for single- and multi-family development.

I. City Housing Programs

The City's housing program activities are directed toward increasing the supply of housing, improving the quality of existing housing, counseling or advising residents in their efforts to obtain adequate shelter, and providing public improvements in support of neighborhood renovation efforts. These activities have been supported by federal Community Development Block Grant (CDBG) and housing assistance funds, by several State programs and by municipal funds. The principal programs that are now in effect and/or have resulted in significant benefits in meeting the City's housing needs are described briefly below:

1. Increasing the supply:

- a. New construction of 100-200 units of subsidized elderly housing is planned for the former site of the California School for the Blind. The City has committed CDBG funds to be used for predevelopment activities, including needed public improvements, and for site acquisition.
- b. Oceanview Gardens, a sixty-two unit, subsidized family housing development, will be built in the West Berkeley Redevelopment area, using both Federal and State assistance program. Also in this area are 15 vacant and boarded-up properties that are to be sold to private owners and rehabilitated for residential use.

- c. The Housing Production Project assists owners of scattered vacant boarded-up residential structures to rehabilitate them and return them to the supply of available shelter. The same technical services are provided as through the Municipal Loan programs, described below. This project also looks for new sites for the development of low cost housing, prepares preliminary drawings, finances needed site improvements and carries out related activities required to develop new housing.
- d. The University Avenue Housing Cooperative, completed in 1982, includes 32 new units of family housing and 15 rehabilitated units in existing structures on adjacent property. The City's CDBG funds assisted in construction and rehabilitation costs, and the project also included State assistance funds.
- e. Bonita House, a federally subsidized home for low-income mentally disabled, was also completed in 1982. The project consisted of acquisition and rehabilitation of an existing 7-bedroom house, along with new construction of a 10-unit project.
- f. Amistad House, a 60-unit subsidized project for low-income elderly and/or handicapped people, was completed in 1981, using federal Section 8 assistance funds to reduce monthly rents.
- g. Savo Island Cooperative development was completed in 1980 using both Section 8 and CDBG funds. It provides 47 units for low-income families and 10 units for low-income elderly and/or handicapped people.
- h. The scattered site project, consisting of 14 units of housing for very large families, with assistance from the State's Rental Housing Construction Program, is currently under construction.
- i. An additional seven projects containing subsidized rental housing were built in Berkeley prior to 1980. These contain 84 units available to lower income families and 390 for elderly and/or handicapped people.

2. Improving existing housing

- a. The Municipal Loan Program assists residential property owners who are unable to obtain private financing in getting low interest loans to rehabilitate their properties. In addition to assistance in obtaining low cost financing, all of these programs provide such services to low-income property owners as the identification of code violations, preparation of specifications and working drawings for required repairs, obtaining and evaluating contractor bids, and monitoring rehabilitation work.

In the three year period between 1979 and 1982, the Municipal Loan Program helped upgrade 360 units, issuing loans totalling \$3,302,630. Two-thirds of the loan recipients assisted were Black, slightly less than one-third were White and two percent were Chicano. Almost 73% of those assisted were female heads of household. These programs include:

- (1) The Emergency Repair Service, funded by CDBG, focusses on the Neighborhood Strategy Areas (NSAs) in west and south Berkeley and assists owners needing to make emergency and other code-related repairs. Between 1979 and 1982, the Emergency Repair Service helped rehabilitate 128 units.
 - (2) The Physically Disabled and Seniors Housing Rehabilitation Program promotes the rehabilitation of 1-4 unit properties located in the NSAs which are owned and occupied by low- and moderate-income elderly and physically handicapped residents. This program has provided technical assistance and rehabilitation services to 95 housing units.
 - (3) The Section 312/Other Housing Rehabilitation Program combines the federal Section 312 loan programs with the State Deferred Loan Program, the CHFA Title I Rehabilitation Program (a locally sponsored credit arrangement with private financial institutions). Section 312 and related rehabilitation programs assisted 127 units between 1979 and 1982.
 - (4) The Residential Rental Inspection Program issued to qualified homeowners four rehabilitation loans totalling \$44,000.
- b. The Residential Rental Inspection (RRI) Program is primarily a systematic code enforcement program for rental units which combines mandatory inspections with flexible enforcement policies. The RRI is currently completing its activities in the West Berkeley Neighborhood Strategy Area (NSA) and is already operating in the South Berkeley NSA. Between January 1979 and October 1982, the RRI Program has inspected 2,084 units for code violations; a total of 1,755 of these units have had all their violations corrected.
 - c. The Library Tool Lending Project lends tools out and provides instructions, manuals and advice to homeowners in the NSAs who wish to do their own home repairs and improvements.
 - d. Berkeley Support Services meets the immediate housing needs of "street" and other people who are in transition. City funds are utilized to rehabilitate the facility and provide services.

- e. The Amherst Hotel is a residential hotel in downtown Berkeley that is a source of low-income housing for transient people. City funds have been allocated to bring the hotel into code compliance.

3. Counseling

- a. The Relocation Project provides legally mandated services and payments to eligible residents who are temporarily or permanently displaced due to publicly-funded housing activities. These services include helping to find replacement shelter, referral to social service agencies, moving and storage of household goods and processing claims for payments due.
- b. The Housing Services Project offers housing counseling and referral services to Berkeley residents, publicizes the City's housing production and rehabilitation programs, prepares citizen participation material and responds to public inquiries. It also develops and distributes informational materials on solar installation, permit procedures, new State energy standards and disabled access requirements.

This project includes landlord-tenant mediation services, as well as the City's fair housing counseling services. Information is provided on local, state and federal anti-discrimination laws and procedures available to resolve complaints. When more complete assistance is needed, such as for testers or for paralegal advice, callers are referred to the Metropolitan Housing Center (see below).

- c. Housing and Technical Services for the Disabled and Elderly, a program run by the Center for Independent Living, Inc.; and supported by the City of Berkeley, assists disabled residents locate accessible housing. It also provides information and technical assistance to property owners, developers and others interested in eliminating architectural barriers and increasing the availability of accessible housing.
- d. Project Share, which is run by the Gray Panthers of the East Bay and supported by the City's CDBG funds, helps seniors interested in finding compatible housemates to share multi-bedroom apartments or private homes.
- e. The Alameda County Metropolitan Housing Center, with support from the City's CDBG funds, has provided assistance and counseling in connection with housing discrimination charges and provided referrals for further action when appropriate.

4. Public Improvements

Public improvements funded by the CDBG program are targetted to Neighborhood Strategy Areas in support of residential rehabilitation activities that are under way. These improvements include undergrounding of utilities, repairs and rebuilding of sidewalks, driveways, curbs and gutters.

5. Housing Authority

The Berkeley Housing Authority's Section 8 Existing Program is a federal program designed to make private housing affordable by providing rental assistance to low-income families. Approximately 1,400 families are assisted by this program. Most of these families (75%) are Black female-headed households.

6. Energy Conservation and Self-Reliance

Berkeley has established a network of programs and agencies involved in promoting energy conservation and self-reliance. The principal element is the Residential Energy Conservation Ordinance (RECO), which went into effect on June 20, 1981. (See description of RECO in section on Municipal Ordinances, page ____.)

Energy conservation programs and agencies responsible for carrying them out include the following:

- o The Community Action Agency distributes to low-income residents energy conservation equipment such as hot water heater insulation blankets, caulking and weatherstripping material, low-flow shower heads and switchplate gaskets;
- o The Berkeley Energy Action Mobilization (Energy Office) provides free City-wide and community workshops to demonstrate household energy conservation measures and distribute information on free energy assistance programs administered by the City, PG&E, and federal and state agencies;
- o The South Berkeley Branch of the Public Library operates a tool-lending library which lends to residents useful books and tools for weatherizing, for installing solar heating systems, etc.,
- o the Young Adult Project (Y.A.P.) offers free household weatherization services to eligible low-income Berkeley residents, along with free minor home repairs for seniors and disabled persons, while it trains youth in performing these services;
- o the Mayor's Community Energy Council is made up of citizens who represent local community, business and neighborhood organizations, and provides the city's Energy Commission and City Council with community views and concerns related to energy matters.

As part of its commitment to promote energy conservation and innovation, the City just issued an "Energy Resources Directory" to disseminate information on the wide variety of services, organizations and businesses located in the City that are involved in energy conservation activities. A principal focus of this directory is to promote energy self-reliance among Berkeley residents. The directory

lists organizations that do such things as teach people how to install their own solar collectors, fix their own bikes and remodel an entire building for energy savings. It describes City programs as well as those of federal, state and private organizations. It was widely distributed to community organizations and residents to use as a reference guide.

J. Federal and State Resources

The City of Berkeley has been participating in the Federal Community Development Block Grant (CDBG) program since its inception in 1975. As an "entitlement" City, Berkeley has received an annual grant based on need as defined by Congress and determined by federal regulations. During the current program year, CDBG resources available to the City amount to about \$3,683,000. The largest portion of those funds--over \$2,150,000--are committed to improving the City's housing resources, through activities described in some detail in Section I preceding.

Federal housing subsidy funds other than the CDBG grants currently enable the City to provide direct assistance to about 1,725 lower households. These include 840 households containing elderly and/or handicapped people and 885 families. In aggregate, these resources reach only about 7% of the City's lower income households--defined as those households whose incomes are below 80% of the median for the metropolitan area.

With current national policies favoring reduced spending for domestic programs such as housing assistance, prospects are for a sharp drop in the amount of funds available to support the City's efforts to assist more lower income households. Berkeley can expect to complete those projects that are now under way--such as Oceanview Gardens--but funding for additional assisted housing is not likely to be available.

Berkeley has also made use of the State's Rental Housing Construction Program in developing such projects as the Oceanview Gardens and the scattered sites project for very large families. Even with continued availability of such State funds, however, additional lower income households are not likely to receive direct benefit from housing assistance programs. Without the addition of rent supplements, which have traditionally come from the federal government, State programs alone are not sufficient to produce housing that can be priced within the means of low income people.

K. Market Constraints

The current nationwide economic recession, with high unemployment and high borrowing costs, has been vividly reflected in the housing market in various forms. Over the past several years, rising home prices and high-priced mortgage money forced most potential homebuyers from the market. The demand for building materials fell sharply, along with employment opportunities for construction workers and many working in related industries. The resale market for single-family homes has been somewhat less depressed than the new home market, but realtors have

reported that sales of older homes have been heavily dependent on seller participation in financing arrangements.

Most recent reports indicate that the immediate future holds a slightly more optimistic picture for the housing market in general. Long-term fixed rate mortgages are now available again in the 12-13% range, and housing prices are even beginning to soften. The Real Estate Research Council of Northern California recently reported that the annual rate of appreciation for single-family homes in the Bay Area reached a peak of 23.4 percent during 1979, but since then has slipped to a one percent gain reported in 1982. In light of these changes, real estate analysts are now expected some improvement in the housing market in 1983, with increased sales activity for both new and existing homes.

Over the past five years, residential land values in the Bay Area have increased at almost twice the rate at which the value of improvements have risen. This means that an existing home valued at \$100,000 on a \$39,000 lot in 1977 would today be valued at \$171,000 and the land would be worth \$89,000.

TABLE 3.7. HOUSING VALUE TRENDS IN THE SAN FRANCISCO BAY AREA, 1977 TO 1982

	Improvement Value		Land Value		Total Value		Land Value as % of Total Value
	\$	% Change	\$	% Change	\$	% Change	
October 1977	35.63	-	22.9	-	58.53	-	39%
" 1978	40.97	+15.0%	27.8	+21.4%	68.77	+17.5%	40%
" 1979	49.73	+21.4%	36.8	+32.4%	86.53	+25.8%	43%
" 1980	58.64	+17.9%	45.9	+24.7%	104.54	+20.8%	44%
" 1981	60.80	+ 3.7%	51.6	+12.4%	112.40	+ 7.6%	46%
" 1982	61.06	+ 0.4%	52.5	+ 1.7%	113.56	+ 1.0%	46%
Change: '77-'82	+25.43	+71%	+29.6	+129%	+55.03	+94%	

Source: Real Estate Research Council of Northern California, Trends, January 10, 1983.

The amount of increase would, of course, vary from one property to another and from place to place, but the general trends are calculated based on a wide sample of single-family homes surveyed semi-annually for the Real Estate Research Council. It is interesting to note, in the above table, that the increase in land value outpaced the rise in the value of improvements in every year of the survey reported.

TABLE 3.8. INDEXES OF THE TREND IN THE COST OF HOUSING

(Index for 1967 = 100)

	Cost Index For Homeownership		Cost Index For Residential Rents		% Change SF-SMSA	
	US	SF	US	SF	Homeowner	Rents
1977	204.9	213.4	153.5	164.7	-	-
1978	227.2	245.4	164.0	177.3	+15.0%	+ 7.7%
1979	262.3	258.0	176.0	190.3	+ 5.1%	+ 7.3%
1980	314.0	310.5	191.6	214.3	+20.3%	+12.6%
1981	352.7	379.3	208.2	236.1	+22.2%	+10.2%
June 1981	350.4	361.7	206.8	233.2	-	-
June 1982	382.8	420.2	222.6	256.8	+16.2%	+10.1%
Change: '77-'82	+177.9	+206.8	+69.1	+92.1	+96.9%	+55.9%

Source: Bureau of Labor Statistics, Department of Commerce.

The housing cost component of the Consumer Price Index, calculated by the Bureau of Labor Statistics, has been increasing at rates comparable to housing values. The costs of homeownership--the index takes into account home purchase prices, mortgage interest rates, real estate taxes, property insurance and home maintenance and repair charges--have risen almost 100% in the past five years, with a very slight slowdown recorded in the last year. Rents, on the other hand, have been rising much more slowly, both in the Bay Area and nationally. Even compared with the overall Consumer Price Index, average rental payments have been rising more slowly.

	Cost Index for Residential Rents		Consumer Price Index		Average Annual % Increase SF-SMSA	
	US	SF	US	SF	Rents	CPI
1970	110.1	119.3	116.3	115.8	+ 6.0%	+ 7.9%
1980	191.6	214.3	246.8	247.3	+10.2%	12.8%
1981	208.2	236.1	272.4	279.0		

As a constraint on the City of Berkeley's ability to plan for meeting its housing needs, the housing market currently presents a moderately improved view of the immediate future. With increases in home prices and homeownership costs, in general, slowing down, production and sales are expected to increase as more households find they can improve their housing situation by purchasing new or existing housing at affordable prices. According to the 1980 Census, homeownership costs and rents tend to be lower in Berkeley than for the SMSA as a whole. Therefore, if the housing market improves in the metropolitan area as a whole, and housing sales increase, Berkeley may expect to share some of the region's optimism. The prospect of any new housing being within the income constraints of Berkeley's low- and moderate-income families, however, is most unlikely.

CHAPTER 4. QUANTIFIED NEEDS, GOALS AND OBJECTIVES

Quantified Housing Needs, Present and Projected

Berkeley's total population projected to 1990 is estimated at 106,800, providing for an addition of close to 3,500 residents and a ten-year growth rate of about 3.4%. This is based on the 1960-1980 trends for the City and for Alameda County and the 1990 population projection for the county by the Department of Finance.* A new set of population, employment and housing projections for all cities and counties in the Bay Area will be published by the Association of Bay Area Governments (ABAG) later in 1983. Berkeley's projected housing needs should be reassessed at that time. In the interim, the following represents the best current estimate of Berkeley's quantified housing needs:

- | | |
|--------|--|
| 46,286 | Total Households in Berkeley in 1990, estimated at 91% of total population in households and 2.1 persons per household, which was both the 1980 Census average and the latest 1990 ABAG projection for Berkeley. This would add 1,582 households since 1980. |
| 47,473 | Total housing units in Berkeley will need to be available for occupancy in 1990, based on a 2.5 overall vacancy rate (compared with 1980 rates of 1.9 in Berkeley and 2.8 in the SF-SMSA). This would add 1,909 dwellings to the 1980 available housing supply. |
| 17,762 | Owner housing units needed, which would maintain the current proportion of owner units at about 37.4% and would provide a 1.2 vacancy rate (compared with 1980 rates of 1.0 in Berkeley and 1.6 in the SMSA) and an additional 668 owner households. |
| 29,711 | Rental housing units needed, at about 62.6% of the total, which is the 1980 proportion. This would provide for a 3.3 vacancy rate (compared with 1980 rates for Berkeley of 2.4 and for the SMSA, 4.0) and an additional 914 rental households by 1990. |
| 1,909 | Needed net addition to the 1980 housing supply available for occupancy, including 714 owner units and 1,195 rental units. This is consistent with the 1985 projected housing need of 1,266 units estimated for Berkeley by ABAG in its December 1981 <u>Housing Needs Report</u> . |

*"Interim Total Population Projections 1980-1990," Report 81 P-1, Population Research Unit, Sacramento, April 1981. Revised 1970 population totals from the U.S. Census were used, for city and county, in calculating the 106,800 projection.

The projected needs and current resources identified above do not include the 770 housing units reported by the 1980 Census as being vacant but not available for rent or for sale. Any of these units that could be located and become available for rental or owner-occupied dwellings would thereby contribute to meeting the City's needs. Probably included in the 770 are the 89 vacant substandard units, lacking complete plumbing needed for normal residential use. In addition, there are about 2,200 occupied dwellings that are estimated to be substandard, with 80% rentals and the rest owner-occupied. These should either be restored to standard condition or be replaced by 1990, as they are included in the above estimate of current housing resources.

In order for the 1,909 needed additions to meet the housing needs of all economic segments of the community, the following cost breakdown, by tenure, is based on the 1980 housing cost distribution (Table 3.4, page ____).

	<u>Rental</u>	<u>Owner</u>
Very low cost (below 50% of SMSA median)	120	107
Low cost (50% - 80% of SMSA median)	418	186
Moderate cost (80% - 120% of SMSA median)	442	178
Above moderate (above 120% of SMSA median)	215	243
TOTAL	1,195	714
(Median monthly cost in 1980 for SMSA)	(\$291)	(\$434)

In addition, 42% of Berkeley's renters (about 11,700 households) and 13% of its homeowners (2,200) are now paying more than 35% of their incomes for shelter. As this is a generally accepted measure of overpaying, close to 18,000 Berkeley households--which may include those now living in substandard and overcrowded dwellings--should be considered as having a "housing need." With about 3,200 disabled people living in Berkeley, there may be a need for this many housing units with special facilities for the handicapped, depending on how well current living arrangements are meeting needs. The 400 renter households containing six or more people may need larger dwellings to accommodate their needs, although they may already be included among these reported as overcrowded. Finally, there are close to 12,400 full-time U.C. students living in private market housing in Berkeley. To the extent that the University can provide for their housing needs, some of the above estimates can be adjusted, since many of those with special housing needs are, in fact, university students.

The Housing Assistance Plan, which is prepared as part of the City's Community Development Block Grant program, provides a good estimate of the housing rehabilitation needs in the community. To determine the number of units that are considered standard, substandard, and substandard but suitable for rehabilitation, various information sources were used including the 1980 U.S. Census report (STF-1A/3A) and the 1978-82 Housing Assistance Plan (HAP). First, the 1979-82 HAP figures were updated by subtracting the total number of substandard units (16,835) in the HAP from the total housing stock (46,334) for a figure of 29,499 standard units. Then the number of substandard units was reviewed for the 3 years HAP period and the net increase in substandard units calculated. It was assumed that standard housing units, if not maintained, would over a 20 year period develop code violations whose cost to repair would exceed certain rehabilitation cost estimates.

Therefore, every year the City's standard housing stock is deteriorating at the rate of 1,475 units ($29,499 \div 20$). Since some units are brought up to code during the course of the year, it is necessary to estimate this number and subtract it from the units that deteriorate every year. According to City records, an average of 2,500 building permits are filed every year. Of these, approximately 40% (1000 permits) are issued for repairs involving the elimination of code-related violations and bringing units up to code. Therefore the net annual increase in substandard units is 475 units ($1475 - 1000$). So that by the end of the five-year period covered by the Housing Element, an additional 2,375 units (475×5) will become substandard for a total of 19,210 units suitable for rehabilitation. Because of limited resources, an increasing number of standard units gradually deteriorate despite a history of City programs for maintaining and upgrading the housing stock.

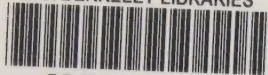
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